Austria ... Sch. 15	Indonesia .. Rp 1600	Philippines .. Pes. 20
Bahrain .. Din 0.650	Italy .... L 1100	Portugal ... Esc 65
Belgium ... BFr 35	Japan Y550	S. Arabia .. Rls 6.00
Canada ... C$2 50	Jordan .. Fils 500	Singapore S$ 4 10
Denmark .. Dkr 7.00	Kuwait ... Fils 500	Spain ...... Pta 95
Egypt .... E£1 00	Lebanon .. £L 6.00	Sweden .. Skr 6 50
Finland .. Fmk 5.00	Luxembourg . Lfr 35	Switzerland SwFr 2
France .. FFr 5.00	Malaysia .. Rm 4 75	Tunisia .. Din 0 600
Germany . DM 2 00	Morocco .. Dh 6 00	Turkey .... L 130
Greece ..... Dr 60	Netherlands . Fl 2 25	U.A.E. ... Dh 6.50
India .... Rup. 15	Norway .. Nkr 6.00	U.S.A. $1 50

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,024 — Tuesday March 15 1983 — D 8523 B

U.S. economy: A lopsided recovery, Page 19

NEWS SUMMARY

GENERAL

French Cabinet reshuffle expected

A major French Cabinet reshuffle was thought imminent yesterday, following the better-than-expected showing of the ruling Socialists in Sunday's municipal elections.

Premier Pierre Mauroy, who, it is thought, may be replaced, bad his usual Monday morning meeting with Presideot François Mitterrand.

The urgency behind a reshuffle is the oeed to negotiate the realignment of the franc in the European Monetary system and there is additional pressure because of the European heads of government meeting in Brussels next Monday and Tuesday. **Hard decisions for Mitterrand, Page 2**

Beirut takeover

Lebanese Army finally took over one of Lebanoo's main illegal ports of entry – an unfinished dock in the port of Beirut. Losses in customs duties have been estimated at L£5bn ($1.2bn).

Lebanon clashes

Three people were killed in oew clashes betweeo rival armed groups in the north Lebanon port Tripoli. Nine Israeli soldiers were injured in two ambushes.

Unita holds Czechs

Unita, the Angolan guerrilla organisation, said it had captured 64 Czechs and 20 Portuguese in an attack on an industrial complex, and offered an exchange deal for the release of British mercenaries held in Luanda.

Indian shootings

Indian police shot dead three people and wounded six at Tangutur in Andro Pradesh, south India, when they fired on demonstrators calling for higher tobacco crop prices.

President bugged

A sophisticated listening device was found in the office of President Joao Figueiredo of Brazil.

Guatemala amnesty

Guatemala President Efrain Rios Montt said his Government had abused its power and announced an amnesty for Leftist guerrillas and easing of military restrictions.

Shepherdess mayor

Silvie Gerome, 23, a shepherdess, an Opposition supporter, though not a party member, has become France's youngest mayor, in the 19-inhabitant Vosges village Chauffencourt.

Pentagon review

The Pentagon is conducting a major review of its short-range nuclear weapons that could lead to further U.S. withdrawals of nuclear warheads from Europe.

Universities closed

Pakistan closed two Karachi universities after three days of clashes betweeo students and police.

Detective jailed

Detective Constable David Kirwin was jailed for four years at Manchester for accepting money, sex, and drink to conceal that a house was being used as a depot for stolen property.

Briefly . . .

Saudi passenger aircraft made an unscheduled landing In Cairo after a report that there was a bomb aboard.

Helicopter crashed into the mast of a ship io the Humber estuary, England, and two men were missing.

BUSINESS

Japanese in moves to boost economy

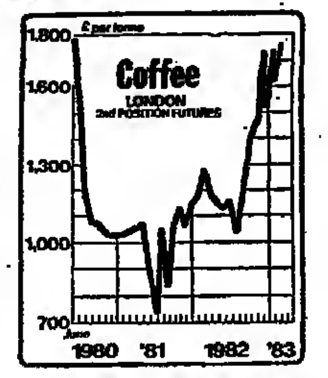
● **JAPAN'S Ministry of International Trade and Industry is to study measures aimed at propping up eight sectors of the economy, including aluminium, housing and private capital investment. Page 4**

● **LONDON: FT Industrial Ordinary index closed 2.5 up at 665.8. Government Securities showed agains averaging 0.69 per cent. Page 29. FT Share Information Service, Pages 34, 35**

● **WALL STREET: Dow Jones index closed at 1,114.45 down 3.29. Page 29. Full share listings. Pages 30–32**

● **TOKYO: Nikkei Dow Index closed 24.83 up at 8089.03. Stock Exchange index was 3.23 up at 596.08. Pages 34, 37**

● **HONG KONG: Hang Seng index edged down 0.43 to 1032.37. Pages 34, 37**



● **COFFEE prices reached 32-month highs on the London futures market. The May position rose £17.5 to £1756 ($2651.6) a tonne. Page 33**

● **DOLLAR fell to DM 2.3815 (from DM 2.401), FFr 6.715 (FFr 6.935), SwFr 2.0625 (SwFr 2.071) and Y237.5 (238.4). Its Bank of England trade-weighted index fell from Friday's 121.2 to 120.2. Page 36**

● **STERLING rose 95 points to $1.51, to SwFr 3.115 (SwFr 3.11) and Y358.5 (Y358), but fell to DM 3.5975 (DM 3.605), and FFr 10.135 (FFr 10.4). Its trade weighting eased from 79.4 to 79, its lowest since November 1976. Page 36**

● **GOLD rose $5 in London to $427.5. In Frankfurt it rose $8.25 to $428.75, and in Zurich by $8 to $428.5. Page 33**

● **AUSTRALIAN all-shares index dropped 2 points to 513.4. Pages 34, 37**

● **FRANKFURT: Commerzbank index improved 3.6, to 848. Pages 34, 37**

● DEVELOPING countries' debt crisis could be surmounted in two or three years if a moderate level of economic growth is restored to the industrialised world, says a Morgan Guaranty Trust study. Page 6

● AUSTRALIA'S new Premier Bob Hawke has called o week-long economic summit amid speculation that the previous government's pay pause would be extended to the end of the year. The country is to sell its only aircraft carrier. Page 4

● ARGENTINE Commerce Minister Alberto Fraguio resigned in advance of a new series of anti-inflation measures. Page 6

● BANK OF CHINA has lent $50m io U.S. currency to joint venture enterprises.

● NORWAY'S ship and rig owners have merged organisations. Page 6

● ANGLO AMERICAN Industrial of South Africa reported a 1982 trading profit of R248.1m ($227m), following its merger with De Beers Industrial, but earnings fell from R6.8 a ahare to R4.2. Page 22

●COMPAGNIE FRANÇAISE des Petroles expects to record its first consolidated loss for 1982, following a FFr 1.8bo loss by its refining subsidiary.

Saudis get key role in balancing output with demand

Opec accord on $29 price

BY RICHARD JOHNS AND RAY DAFTER IN LONDON

THE ORGANISATION of Petroleum Exporting Countries yesterday finally reached agreement on a cut of $5 in its oil reference price to $29 a barrel and a production-sharing system after 12 days of bargaining in London.

Under the agreed ceiling of 17.5m barrels a day for overall Opec output for the rest of 1983 it is believed that Saudi Arabia's sbare will amount to no more than 5m b/d in a compromise hammered out in the last few days.

The kingdom is to "act as the 'swing producer' to supply the balancing quantities to meet market requirements."

The formula is less than satisfactory in that it does not contain a formal commitment from Saudi Arabia. But the kingdom is understood to have undertaken to bear the brunt of low world oil demand in the next two months or so.

In effect, Saudi Arabia has stuck to its policy of oot subscribing openly to a production-sharing programme. It has alwoys asserted the principle that its rate of output is a matter of its own sovereignty. In practice, though, the kingdom eventually had to compromise so that the package could be clinched.

Details of individual quotas for the other 12 member states were not officially released.

It is understood, however, that the United Arab Emirates ceded considerable ground in modifying its demand for 1.35m b/d output which constituted one of the last sticking points.

Venezuela also is believed to have accepted a quota of rather less than 1.8 b/d, on the understanding that it can make up the difference through extra sales of coodensates (very light oils). Opec as a whole is expected to produce about 1m b/d of condensates, in addition to the 17.5m b/d crude ceiling.

As expected, the price for Nigerian crude bas been set at $30 a barrel. This gives only a $1 a barrel premium for Nigeria's high-quality crude against $1.50 previously. This premium was described as a "temporary exception." The rate for similar higb grade Algerian and Libyan oil is set at $30.50.

Iran, as o matter of principle, noted in the Opec communiqué that it "reserved its position oo the decision to reduce prices." That is of academic Interest because Iran seems certain not to charge above $29 for its equivalent of the Saudi Arabian reference crude and is widely expected to continue offering some kind of discount.

Oil prices ($ a barrel)

	Contract rates Existing	Contract rates Proposed	Spot market (London)
Arabian Light	34.00	29.00	28.50
Nigerian Bonny	30.00*	30.00	28.00
UK Forties	33.50	30.50**	27.95

** Reduced by $5.50 a barrel on February 1*
*** Recommended by British National Oil Corporation as from February 1. Still not ratified by most North Sea producers and customers*

In Opec the feeling is that a divergence by Iran can probably be accommodated if all other members adhere strictly to official prices.

Oo this issue, the communiqué said that members would "avoid giving discounts io any form whatsoever" and "refrain from dumping petroleum products into the world oil market at prices which would jeopardise the crude oil pricing structure."

There was widespread relief in the oil market that Opec had reached an agreemeot, although a number of analysts expressed doubt that production levels and the reference price had been lowered enough. But it was felt that the Organisation's package at least improved the chance of stabilising prices.

Much will now depend on the pricing stance of North Sea oil companies. British National Oil Corporatioo, the main trader of UK crude, has recommended that North Sea prices should be reduced from $33.50 to $30.50 a barrel.

In an indirect reference to Mexico and, it seems, the UK o tribute was paid in the Opec communiqué to "the co-operative efforts of some onn-Opec exporters io resolving the preseot difficulties." This also reflected the hope that BNOC would oot now undercut the Nigerian price.

Mallam Yahaya Dikko, Nigeria's chief delegate, who is also current president of Opec, said after the meeting: "Everyone accepts that Nigerian oil is of comparable value to Brent and Forties, but Nigeria needs some allowance for transportation costs."

Asked bow Opec would react if BNOC, under pressure from operotors and buyers, reduced the North Sea price Mallam Dikko said that any action "destabilising" the market would bave to be considered by Opec. He odded: "It was our considered judgment that Opec and onn-Opec producers stand to gain from stability."

Agreement on the wording of the communiqué and other outstanding matters were delayed todoy by Mallam Dikko's anger over the distribution this morning by Dr Mana Said al Otaiba, United Arab Emirates Minister of Oil, of a poem – published in full on page 20 – about Opec's plight which recorded Nigeria's resistance to raising this price from the level set last month. It was this resistance whicb precipitated the consultations in London.

UK stockbrokers Phillips and Drew report today that the reduction in the Opec oil price structure should lower the annual inflation rate of developed countries by 0.7 per cent. It should also provide a 0.2 per cent improvemeot to the real GNP growth of OECD countries.

Effect on consumer countries, Page 3 ● Saudis can stand the strain, Bahrain's economic health, Kuwait diversifies, but lean times ahead, Page 4 ● On a hiding to nothing, Page 18 ● A poem about Opec's plight, Page 20

Bonn sees French decisions crucial for EMS

By Jonathan Carr in Bonn

THE West German Government is anxiously watching the aftermath of the French local elections, believing that the consequences drawn in Paris could be crucial for the future of the European Monetary System (EMS).

A member of the Bonn Cabinet privately expressed hope last weekend that the French anti-inflation policy ideotified with M Jacques Delors, Finance Minister, would be contioued despite the Socialists' losses in the elections.

He noted, however, that the "Delors stability course" had opponents in the Paris Government, who also believed that membership of the EMS was increasing France's ecooomic and social problems. In other words, the question raised was not so much the publicly discussed one of EMS currency reolignmeot, as whether those forces in Paris would prevail which wanted France to stay in the system.

This is not the first time senior members of o Bonn government have raised this point – but they do so more emphatically in view of the elections, which, it is felt, could mark o watershed for French policy and the EMS.

The oew Centre-Right coalition in Bonn is ont generally felt to be as deeply ottached to the EMS as was its Centre-Left predecessor led by Chancellor Helmut Schmidt, one of the system's co-founders.

None the less, it is made clear in Bonn that the German Government – despite its publicly cooler approach – wants to see the EMS continue, and France to remaio a part of it.

Indeed, it is stressed that, io principle, there is now more good cause to be optimistic about the future of the EMS than there was two years ago when President François Mitterrand came to power.

Government officials recall that Bonn and Paris then seemed to be on two clearly divergent paths – the former stressing the battle against inflation, implying less economic growth in the short term, the lotter boosting state spending to try to create more jobs.

Bonn now feels that the West German ecoomy is emerging from the trough, and that the upswing *will* be encouraged by another round of interest rate cuts by the Bundesbank – perbaps as soon as this Thursday.

Meanwhile, France last summer adopted a more restrictive course, implying, in Bonn's view, greater

Continued on Page 20

EEC-Spanish motor pact may aid UK

BY GILES MERRITT IN BRUSSELS

BRITISH LEYLAND (BL), the *state-owned* UK motor manufacturer, is expected to emerge as the major beneficiary of a new EEC-Spanish trade pact which could increase Spain's imports of motor cars from the European Community by more than 25 per cent from mid-1983.

In cootrast to BL's sales level of only 1,200 cars to Spain in 1982, Brussels experts say the new arrangement could lift Britisb motor exports to Spain to 4,000 to 5,000 o year.

The Madrid-Brussels agreement has been negotiated by the European Commission, and was yesterday formally communicated to the EEC Council of Ministers by the Brussels authorities. The pact is, however, in large part the result of a determined British initiative.

The deal, due to come into force by July or August of this year, creates a special low-tariff quota under whicb 15,000 cars produced io the EEC will no longer be subject to the beavy 36.7 per cent duties set by Spain's 1970 agreement with the Community. For 5,000 cars with engines of 1,275 cc to 1,600 cc, the tariff is to be cut to 19 per cent, and for a further 10,000 models with engines of 2-2.6 litres, it will be 25 per ceot.

Brussels experts believe that the new low-tariff quota will bave the effect of increasing Spain's current yearly imports of 40,000 EEC cars by about 15,000 units. They expect that BL, provided it reactivates the Spanish dealer network that it has neglected since the mid-1970s, could capture about a quarter of the new sales with its MG Metro, Maestro and Rover models.

For although British officials were yesterday careful not to draw atteotion to the UK's part in oegotiating the Spanish coocession, which Madrid hopes will ease its difficult EEC accession talks, it is clear that the UK has helped influence the pact to ensure maximum advantage for BL.

In recent months parallel talks in Madrid to those taking place between Commission negotiators and Spain have been held between a team of UK officials and the Spanish authorities. It is therefore expected that under the Spanish licensing system for the new quota the UK's recent poor performance in the Spanish car market will not be used as a basis for determining its future market share.

West German car sales to Spain are curreotly running at about 25,000 units a year, and those of France at 7,000, but it is believed that future BL sales will not be handicapped to maintain that balance.

Mr Peter Rees, the UK Trade Minister, yesterday described the Spanish concession as a "useful breakthrough" which should give BL a major opportunity in the Spanish market.

Money markets unsettled by Opec and EMS

BY JEREMY STONE IN LONDON

THE FOREIGN exchange markets tried in succession yesterday to accommodate the lack of o weekend realignment in the European Monetary System (EMS) and the news that the Organisatinn of Petroleum Exporting Countries (OPEC) had ot last reached agreement on a price and prodnction quotas for crude oil.

The Belgian franc rebounded to the top of the EMS after measures to control speculation against the currency were brought to yesterday morning. They included a 1 per cent daily surcharge oo foreign currency loans' a ceiling of BFr 20m on Belgian banks' foreign currency lending and a 30 day time-limit oo exporters' retention of foreign currency receipts.

The French franc also strengthened dramatically thanks to the prohibitive cost of selling it short. The Bank of France's squeeze on Eurofranc lending was reported yesterday to bave lifted overnigbt rates to more than 2,000 per cent (on an annual basis).

Depressed by the recovery of the weak EMS currencies, sterling closed mid-afternoon in London at its lowest effective exchange rate since November 1976, with a value against the Bank of England's trade-weighted basked of 79.0 (1975 = 100).

Speculators wbo had gone short of the French franc at the weekend as a hedge against its devaluatioo

Belgium yesterday imposed restrictions on foreign currency holdings in a new move to defend the franc. Page 20

Continued on Page 20

Lex, Page 20; Money markets, Page 36

UK secures budget rebate and sets Ten new deadline

BY JOHN WYLES IN BRUSSELS

THE UK yesterday successfully removed the last obstacles to swift payment of a £490m ($740m) EEC budget rebate and then set its partners a June deadline for agreeing further reductions on Britain's payments to the Community budget.

Indicating that the Government was anxious to defuse the budget issue in the run-up to a general election, Mr Francis Pym, Britain's Foreign Secretary, told other EEC foreign ministers of the crucial need for another budget arrangemeot, cutting back Britain's payments in 1983 and beyond.

It was important, said Mr Pym, to find a solution by the time of the EEC summit in the first week of June. Britain's budget costs were still rising and were just over £1bn last year before payment of the rebate.

The issue was vital to the continuing public debate about Britain's membership in the EEC, said the Foreign Secretary, and was crucial to the Government's obility to present membership "in a favourable light."

Before finally securing the rebate on 1982 payments to Brussels, Mr Pym had to figbt hard to persuade France to drop objections to legal regulations transferring the money to the British Treasury by the end of this mooth. Paris was particularly concerned about the allocation of around £350m to coal and other energy projects in the UK, which it feared would set precedeots for future EEC policies.

After consulting his Government, M André Chandernagor, France's Minister for Europe, eventually gave way. Frencb tactics point to an equally tougb oegotiation on rebates for 1983 and beyond. Britain is arguing, and other member states generally accept, that another short-term deal will be needed until the Teo bave agreed nn reforms to and a refinancing of the EEC budget.

In a discussioo on the European Commission's Green Paper on future financing, Mr Pym revealed that Mrs Thatcher, the British Prime Minister, would demand support from next week's EEC summit for a request for Commission proposals to be tabled withio the next mooth. These would cover the long-term reform of the budget and another short-term solution to the UK problem.

The Commission, which is not planning to present proposals until early May, will have a difficult task in working out the budget reform proposals. Britain and West Germany remained yesterday opposed to lifting the current 1 per ceot value-added tax ceiling oo EEC budget revenues, while all other member states favour an increase.

France wants a new, higher ceiling, but opposes a tax oo agriculture, which migbt benefit the UK. Britisb officials, meanwhile, were tantalised yesterday by a favourable mentioo by France of an EEC energy tax. This agaio could be a special belp to the UK, but it has so far been ruled out by the Commission.

CONTENTS

Ireland urged to devalue the punt

By Our Dublin Correspondent

A LARGE cut in the value of the Irish punt has been recommended in a report which is also sharply critical of traditional policy in this area. Carried out by economic consultants Davy Kelleher McCarthy, the study estimates that a 10 per cent reduction in the exchange rate would lower the 15 per cent unemployment rate by four or five points, while adding 5-6 per cent to prices.

The clamour for devaluation has been growing in recent months, particularly from the country's main farming organisation, the IFA.

This latest report warns that if the current rate is maintained for the rest of the year, the plight of the trading sectors of the economy will become significantly worse.

It complains that, since Ireland entered the European Monetary System in 1979 it has never sought a unilateral change and has taken the middle course of all realignments, despite the fact that only a quarter of Ireland's trade is with countries whose currencies are in the EMS.

This has resulted, say the authors, in serious instability in the relationship with sterling. More than 40 per cent of Ireland's trade is with the sterling area. The report argues that in effect there has been a 14 per cent revaluation against sterling since late October when the rate was in the low £0.80s to the punt. Yesterday's mid-day sterling rate for the punt was £0.915.

"Such instability is nonsensical," says the report which calls for a conscious exchange rate policy to prevent a recurrence of the country's present economic problems.

Ireland, it says, is the most passive of all EMS members. Its failure to realign or devalue its currency has had a catastrophic effect on competitiveness. Taking 1978 as a base, the report claims, competitiveness against European countries has dropped by more than 30 per cent.

The authors conclude that if a general realignment within the EMS is not forthcoming then a unilateral devaluation of the Irish currency should be considered.

The 'miracle' that saved France's Socialists

BY DAVID HOUSEGO IN PARIS

IT WAS the pro-Socialist daily newspaper Le Matin that best caught the immense relief of the Socialist Party this morning at the result of Sunday's second round in the municipal elections with a headline splashed across page one which simply said "The Miracle."

When campaigning ended on Friday night the Left was preparing for the worst while praying that their followers, who had abstained in the first round the previous Sunday, would turn out and save them from a skinning. There were some in the centre of the party who even half-welcomed a second defeat as giving President Francois Mitterrand a freer hand to impose the cuts in purchasing power (advocated by M Jacques Delors, the Finance Minister and M Michel Rocard, Minister of the Plan as necessary to bring down inflation and the trade deficit) to which the radical Left and the Communists are opposed.

But the miracle occurred. Contrary to the experience of virtually every election under the 5th Republic, the results of the second round did not reinforce those of the first. Instead ministers whose cause had seemed lost such as M Gaston Defferre, Minister of Interior, at Marseilles and M Jean-Pierre Chevenement, Minister of Industry, at Belfort turned round the tide—M Defferre, a grey-haired 73-year-old appearing on television on Sunday night grinning like a schoolboy. More incredibly still, Mme Edith Cresson, the Agriculture Minister, gave the Left its only gain in both rounds by winning Chatellerault.

Instead of losses in both rounds of 30-50 towns of more than 30,000 population which had been expected on Friday and which would have badly discredited the Government, the Left lost control of only 31 of the major towns.

This is substantially less than the 61 towns that the Right lost in the last municipal poll in 1977 and is at the upper limit of what President Mitterrand had been predicting privately some months ago. It reflects substantial dissatisfaction with the Government but not a complete disavowal of its policies.

It enables the Opposition parties—the neo Gaullists RPR of M Jacques Chirac, mayor of Paris and the pro M Valery Giscard d'Estaing UDF—to claim a success but weakens M Chirac's claim—on the basis of which he had hoped to harass the Government into bringing forward the 1986 legislative elections—that the opposition was now in a majority in the country. In fact in Sunday's more limited poll, the opposition parties scored only 49.6 per cent of the vote as against the 51 per cent they gained on March 6.

The Left regained ground on Sunday because in the major towns militants who had apparently stayed away the week before decided to vote, fearful that a further defeat could presage a return to power of the Right. In that sense the alarmist campaign run by radicals such as M Louis Mermaz, President of the National Assembly, seems to have paid dividends. But in many towns such as Dreux, Besancon and Villeneuve-Saint Georges the Left scraped home.

The losers of the election were the Comunists who lost 16 of the 73 major towns they have controlled since 1977.

This weighs more heavily on them than the Socialists' loss of 15 towns because both their party strength and finances are closely involved in their control of important municipalities. They now hold only 57 against the Socialists 81.

They have lost major prizes like St Etienne, Reims, Beziers, Nimes and a belt of towns in the south such as Sete and Arles. In those they have retained, the share of the vote polled by the Left has often fallen reflecting the reluctance of Socialists to support a Communist mayor.

M George Marchais, the Communist Party Secretary General, was bitterly critical on Sunday night of the Socialist's failure to give the Communists full support, suggesting new tensions between the two coalition partners. He also declared in advance his hostility to any backing down on the joint policies agreed in 1981 as part of

On the opposition side, there has inevitably been disappointment that the high expectations of last week failed to materialise and that taken across both rounds there was no electoral surge back to the centre-right. The major compensations were Mr Chirac's grand slam ("*le grand chelem*" in the *franglais* of yesterday's headlines) in Paris where he captured all of the capital's 20 districts and a similarly outright victory by the Right in Lyon.

As in the first round the RPR did much better than the UDF winning 17 of the municipalities that swung to the right as against 6 by the UDF. M Chirac has also personally consolidated his position as the main opposition leader. But the opposition's success was not convincing enough to silence the disputes over the leadership issue and a common programme.

For M Mitterrand, the second round result has probably made more difficult his decisions over a new cabinet team and the choice of economic policy because it has returned strength to the factions within the Socialist Party who had been humbled by the first round score. Yesterday they could all agree with M Mermaz that the Government needs to explain better what it is doing and to rally Frenchmen around its policies. But that still leaves open what the policies will be.

LARGE CABINET changes were thought to be imminent yesterday as President Francois Mitterrand put into place the framework of policies to carry his administration through to the National Assembly elections in three years time, writes David Housego.

M Pierre Mauroy, the Prime Minister, saw the President for two hours in the context of their regular Monday morning meeting. It still remained possible that he would be asked to stay on until after the Socialist party congress in the autumn but with a smaller, more closely-knit cabinet. Alternative candidates for the premiership are M Jacques Delors, the *Finance Minister, or* M Pierre Beregovoy, the Minister of Social Security.

The urgency behind the change is the need to negotiate a realignment of the franc within the EMS and to decide on the accompanying passage of anti-inflationary measures. An additional pressure is the European heads of government meeting in Brussels next Monday and Tuesday.

Italian Left hit by Piedmont scandal

BY JAMES BUXTON IN ROME

THE LEADERS of Italy's Socialist and Communist parties were yesterday holding urgent internal meetings and consultations in an attempt to stop the shockwaves radiating from what appears to be a major municipal scandal in the Northern city of Turin.

Already, Sig Enzo Biffi Gentili, the Socialist deputy mayor of Turin and three Socialist elected officials of the city and of the regional government of Piedmont, are in prison charged with corruption and using public positions for private ends. They have joined five others, a Socialist, two Christian Democrats, an intermediary named Sig Adriano Zampini, and Sig Franco Revelli, the Communist chief whip of the Piedmont government.

The charges concern the alleged offering or taking of bribes over the award of contracts by the city and regional governments. The initial accusation concerned the alleged offering of bribes in connection with the sale of computers. The Italian agent of the U.S. company Intergraph revealed details of a conspiracy to magistrates when be was allegedly approached by Sig Zampini, who was in contact with local politicians.

The sums so far said to have been used as bribes are not very large—between lire 30m and 40m ($21,000-$28,000), a fact which led one newspaper to question whether the magistrates were aware of the recent effect of inflation on the lira. But from the hints that have emerged, larger sums may be involved. More than two dozen people have received warnings that they are under investigation.

National politicians have called for the resignation of the Left-wing coalition governments of both Turin and Piedmont, which consist of Communists and Socialists.

The outbreak of the scandal could hardly come at a worse time for the Socialists, the party which appears to be most heavily involved. The party's standing has suffered badly from different incidents in the past few months

For the Communist Party, which has just closed its congress in Milan, the arrest of a senior party member is almost unprecedented. The party values above almost anything else its reputation for total honesty and has tough internal procedures to prevent possible lapses by individual members.

Both parties are tempted to suspect that they are the victims of concerted action against them

Kohl looks to U.S. for new missiles proposals

BY JAMES BUCHAN IN BONN

CHANCELLOR Helmut Kohl's government in Bonn is looking to the U.S. for "new and wide-ranging" proposals that would allow an agreement between Washington and Moscow on nuclear missiles in the European theatre.

Expanding on remarks made by Herr Kohl to the Washington Post, the government spokesman said yesterday that Bonn hoped and expected new proposals "in the shortest possible time" from Washington. The U.S. up to now has insisted that the Soviet Union remove all its intermediate-range missiles aimed at Western Europe as a condition for not installing new missiles of its own.

The interview marks Herr Kohl's formal abandonment of this so-called "zero option." Instead, the spokesman made clear that Bonn is looking for an interim agreement whereby Moscow reduces its European missile potential and the U.S. deploys fewer of its missiles.

Bonn was still holding to the zero option as the "political goal," said the spokesman while making clear that it was looking for an interim result with reductions on both sides on a basis of equality and parity. He said that Herr Kohl had told Mr George Bush, the U.S. Vice-President, privately of the need for new proposals six weeks ago.

AP adds from Washington: The U.S. Government yesterday indicated that it will not offer new arms proposals before the end of the month. Mr Larry Speakes, the White House spokesman, said: "I don't look for a formal U.S. proposal" before the current negotiating round in Geneva adjourns

Pentagon review, Page 6

Strauss demands Cabinet place

BY OUR BONN STAFF

HERR Franz-Josef Strauss, chairman of the Bavarian *Christian Social Union (CSU)*, yesterday came out in the open to demand a place for himself in the Cabinet to be formed by Chancellor Helmut Kohl from the three government parties.

In a statement from Munich yesterday, Herr Strauss, 67, said that the CSU, which emerged from the March 6 general election as second strongest coalition party, was wholly convinced that its chairman had "the right to Cabinet work and *responsibility*" corresponding to the party's strength and history.

The CSU gained an extra seat in the election to end up with 53, while the Free Democrats (FDP) won third place with 34 plus a non-voting member from West Berlin. Chancellor Kohl's Christian Democrats (CDU) remain the overwhelming force with 202 seats, including their West Berlin contingent.

With formal coalition negotiations due to start later in the week, the CSU has been stepping up its pressure to gain the best deal possible reflecting its new strength at the expense of the FDP. The latter holds four portfolios including the Foreign Ministry, held by Herr Hans-Dietrich Genscher, the FDP chairman, who is also vice-chancellor.

Herr Kohl apparently is determined to keep Herr Genscher in the Foreign Ministry and shows no sign of being willing to sacrifice one of the big CDU ministries to accommodate Herr Strauss, particularly as the CDU made the largest gains in the election.

The prospect of the Bavarian Prime Minister leaving Munich for a Cabinet post in Bonn has been all but discounted in the capital in the past week, not least because it would not be welcomed by Herr Kohl, who is politically closer to Herr Genscher than Herr Strauss.

Yesterday's bombshell from the Bavarian is still regarded as less an absolute insistence on what is probably his last chance at high office in Bonn as a brutal tactical measure to ensure that the new government reflects as much CSU thinking and as little Liberal influence as possible.

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Dublin residents object to gas storage project

BY BRENDAN KEENAN IN DUBLIN

A PLANNING BOARD in Dublin is hearing an appeal by Clontarf residents along the seashore against a plan to store liquefied petroleum gas (LPG) in huge underground ice caverns beneath Dublin Bay.

The residents' case is based on safety objections. The inspector's verdict on the plan will be based on an assessment of the odds against a major disaster in the heart of the capital.

The plan has been submitted by Cavern Systems Dublin, which is made up of a subsidiary of Calor Gas and the P & O Group, along with the family investment company of Irish entrepreneur, Mr Tom Roche.

The scheme would involve hewing out three rock caverns 120 metres below the bay. The caverns would have a total capacity of 100,000 tonnes of gas. Two would hold propane at temperatures around -40 deg. C and the third would contain butane at -15 deg. C.

The developers argue that Irish demand for LPG, currently below 200,000 tonnes per year, could more than double by the end of the decade and that bulk buying could save I£10m ($13.7m) a year.

The concept of cold storage, where the gas is sealed in by ice, is relatively new, and Cavern Systems argue that it is safer than the usual method of storing under pressure.

A major accident at the proposed LPG terminal, would threaten hundreds of lives. The tribunal heard that the large tankers would have less than 2ft clearance at optimal tide conditions in the bay.

Prof David Rasbash of Edinburgh University, was called as a witness by the residents and argued that the facility should be at least 8km from populated areas, instead of 1,000 yards, as proposed.

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EUROPEAN NEWS

EEC ministers begin haggling over price rises

Farm policy recovers its appetite for cash

BY JOHN WYLES IN BRUSSELS

AS THEY launched themselves yesterday into the annual negotiation on European Community farm prices, many of the Ten's agriculture ministers seemed reluctant to recognise any new budgetary or political constraints on their freedom of action.

The majority appear to want to keep to their hallowed tradition of elaborate horse-trading which pushes the guaranteed price levels and overall cost of the farm package well above the proposals of the European Commission. But warning lights are flashing about these old ways.

Across the Atlantic, fierce critics in the U.S. Congress and the Reagan Administration will size on any evidence of extravagance to argue that the Community will never control its surplus production nor the use of export subsidies to dispose of it. The U.S. they will say, must deploy the same ready cash to save its farmers from penury, even if this means an agricultural trade war with the Ten.

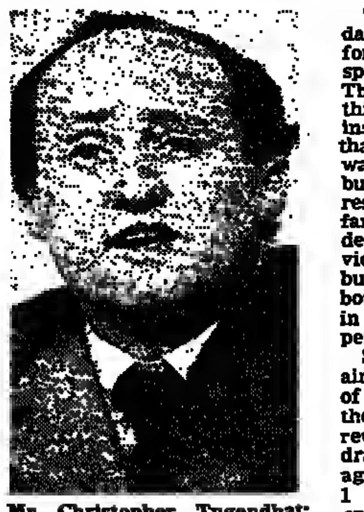
Europe's farmers, meanwhile, are sitting prettier. Incomes rose last yar by at least 9 per cent in real terms, although the variation was enormous, with Irish Farmers registering 2.5 per cent while the British pocketed their celebrated 45 per cent. Taking a longer view, farm incomes have not kept pace with the rise of inflation over the past six or seven years, but the prosperity of the past 12 months has put something under the belt to be tightened.

And tightened it will have to be if runaway farm spending is not to precipitate a financial crisis next year. The Commission's budgetary analysts increasingly believe that even if the Commission's "prudent" price proposals are adopted lock stock and barrel, the 1984 Community budget will consume virtually every penny of legally available resources.

This is largely because the guarantee spending on buying surplus products into stock and disposing of them with export subsidies is returning to historically high levels.

Over the past seven years, the year-on-year growth has been: 1976 +23.6 per cent; 1977 +22.3 per cent; 1978 +26.9 per cent; 1979 +20.3 per cent; 1980 +8.4 per cent; 1981 −2.6 per cent; 1982 +12.3 per cent; 1983 +13.8 per cent (estimated).

Increasingly, it seems that the slackening of the rate of growth in 1980 and the actual fall in spending in 1981 were aberrations. After a virtual standstill on dairy output—much the biggest drain on the common agricultural policy budget—production last year resumed more "normal" growth levels of



Mr Christopher Tugendhat: warning obont soaring agricultural spending

around 3 per cent per annum and locked the Ten into a surplus of 20 per cent above consumption.

During 1980-82, the cost of exporting the surplus was very nearly halved from a 1980 peak of Ecu 2.74 (£1.7bn) with the help of a market management arrangement with New Zealand which jacked world dairy prices npward.

In the past few months, however, world dairy prices have started to tumble and the cost of export subsidies to rise.

The significant improvement on the dairy front had such a dazzling budgetary impact that few peopla bave noticed that CAP expenditure on other commodities has been roaring away. Last year was a record spending year for every other product except cereals and rice, beef and pigmeat which made their biggest demands on the budget in 1981.

Thus, in the four years to 1982, spending on oil seeds had risen by 337 per cent, olive oil by 370 per cent, fruit and vegetables by 854 per cent, wine by 896 per cent and beef by 249 per cent.

This boom in other products means that they now take a much larger share of the CAP bndget. In 1979, dairy took the lion's share at 46.5 per cent and the rest was scattered among more than 20 other products. This year dairy's share will have fallen to 23.5 per cent if the Ecu 3.314bn which is budgeted proves adequate.

Almost unnoticed, spending has lurched hugely in favour of Mediterranean products which are not subject to any production disciplines. The Mediterranean region's share of the budget has doubled since the late 1970s to around 22 per cent.

This trend, coupled with the dairy sector's renewed oppetite for funds, suggests that CAP spending is again out of control. The Ecu 14.05bn budgeted for this year will clearly be insufficient in view of the fact that spending in the first quarter was running 12 per cent obove budget. This means that extra resources, plus the cost of the farm ministers' eventual decisions, will have to be provided by o supplementary budget in the autumn. This is bound to take the year's growth in CAP spending ebove the 20 per cent mark.

Since 1981 the Commission's aim has been to keep the rate of increase broadly in line with the growth of the EEC's budget revenues — its "own resources" drawn from customs duties and agricultural levies and up to 1 per cent of retail spending on a common basket of goods and services.

By this means, agriculture's share of the budget has been contained and actually reduced from more than 70 per cent to around 65 per cent to the benefit of other policies sucb as the social and regional funds. However, the growth in own resources is increasingly sluggish, averaging only 9.7 per cent between 1980 and 1983 and predicted to rise by only 8 per cent next year.

According to Mr Christopher Tugendhat, the budget commissioner, agricultural spending in 1984 will be twice this rate, even if the Commission's farm price proposals are fully adopted by the ministers. This suggests that the Commission's proposals are too generous in the face of increasing over-production and shrinking budget resources.

The Commission is making mucb of its attempt to curb dairy and cereals ontpnt through proposed increases significantly below the price package's 5.5 per cent "norm". However, the proposed 2.4 per cent increase for dairy products would only cover about one third of the cost of disposing of last year's extra production and still represents extra income and incentive to produce.

Similarly, the 3 per cent proposal for cereals will do nothing to narrow the gap between the EEC price and the world price which might make the Community's use of export subsidies more acceptable to the U.S.

In putting its package in front of the farm ministers, the Commission is offering less financial austerity than it and many ministers would wish us to believe. But if ministers try to put more icing on the cake, can the bill be paid?

Social welfare cuts strain Dutch coalition

BY WALTER ELLIS IN AMSTERDAM

THE EXTENT which social welfare benefits in the Netherlands should be cut in order to enable the Government to meet its state borrowing targets is putting increasing pressure on the ruling coalition of Christian Democrats and Liberals.

Mr Ed Nijpels, leoder of the Liberal Party, said at the weekend that the Government would have to introduce further cuts in spending worth some Fl 2bn (£500m) this year if the planned 1983 budget deficit was not to be exceeded greatly. Mr Nijpels is not a member of the Cabinet but, as undisputed controller of the 36 Liberal votes in Parliament, is a key figure in the coalition.

Mr Stees Weijers, the Christien democrat spokesman on social welfare, feels, however, that cuts bave already gone far enough. He said yesterday that all possibilities had been exhausted.

From the official opposition benches, the Labour party, with 47 MPs, sides with Mr Weijers on the issue and bas gone so far as to urge a Fl 50 (£12.50) increase in the child welfare benefit for those families on the national minimum income. Payments for second and subsequent children were recentiy

Last week, the Central Economics Commission, an advisory body comprising the country's most senior civil servants, warned that this year'a budget deficit could overshoot the planned Fl 11.4bn (£2.85bn) by as mnch as Fl 3bn (£7m) without a further round of spending cuts.

Mr Nijpels has clearly taken the commission's message to heart, while Mr Ruud Lubbers, the Prime Minister and Christian Democrat leader, is known to fear squeezing expenditure any barder.

With 755,000 people registered unemployed and some 150,000 households now receiving less in child welfare and other benefits since the formation of the present Government, Mr Lubbers feels thet austerity must not be allowed to slip into indifference.

Portuguese union warns of strikes

By Diana Smith in Lisbon

PORTUGAL'S MOST powerful trade union confederation, the Communist-dominated CGTP-Inter, warned at its weekend congress that if the next Government does not meet workers' "fair, realistic and feasible claims," it will intensify industrial action.

Since early last year, with a mixture of national strikes, public transport and utility stoppages, and selected action in key areas like steel and shipbuilding, the CGTP's member unions have brought constant pressure to bear on the debt-ridden pnblic sector.

This most vulnerable element of the economy was created in 1975 when the Communist party forced nationalisation of the banks and the manufacturing and commercial sectors held by these family-owned institutions.

The excuse for this action has usually been support for wage claims. Bnt targets set by the unions have been so high that the anthorities conld not meet them.

Meanwhile, CGTP unions and the Communist party vowed to bring down the Government of Sr Francisco Pinto Balsemao which they accused of destroying the "conquests of the 1975 revolution" by fostering the return of private capital to parts of the pnblic sector.

The general election is now six weeks eway, and the Communists are demanding a share in the next government. There are signs that the Socialists, who refuse alliances with the Communists, could make the strongest showing in the election.

It was Sr Mario Soares, the Socialist leader wbo, as Premier in 1977, first sought support for Portugal's entry to the EEC.

The CGTP announced that it would strive to have all EEC dossiers so far negotiated withdrawn. This reflects the pro-Moscow Communist party's aversion to full European status for a country which the Western allies consider an important strategic point on the south-western flank of Europe.

Italy hopes for boost to growth

By James Buxton in Rome

ITALY is expecting a noticeable improvement in its current account of the balance of payments and some stimulus to growth as a result of the oil price cut.

Two thirds of its energy requirements are met from imported oil, which accounted for nearly 30 per cent of total imports in 1982, so a drop of 15 to 20 per cent in the oil price would markedly improve the import bill.

Because of the continuing balance of payments deficit and high inflation rate, Italy will not be able to use the fall in prices as a reason to expand the economy. However, it expects to gain substantially from extra demand generated in West Germany and the U.S., both of whose economies are expected to expand this year.

West Germany, whicb will also benefit greatly from falling oil prices, alone accounts for 15 per cent of Italy's exports, and Western Europe together takes 55 per cent.

This should easily offset the expected decline in exports to Opec countries which, with Mexico, took nearly 15 per cent of Italian exports in 1982. The balance of payments in 1983 is expected to amount to about half last year's level of about L7,500bn (£3.5bn).

The Government has made it clear that, rather than pass falls in the oil price on to the consumer, it intends simply to take more from consumers in tax on petrol and gasoil.

Bonn expects current account boost

BY STEWART FLEMING IN FRANKFURT

A FURTHER significant improvement in West Germany's current account is forecast by economists as a result of the reduction in oil prices.

Westdeutsche Landesbank is predicting that in 1983 the West German current account surplus will double to around DM 15bn (£4.2bn), with the whole of the improvement due to the lower cost of oil imports.

Two factors are expected to work in West Germany's favour. On the one band, oil prices are expected to decline in dollar terms—West LB has assumed an average price of around $26-$28 a barrel, while at the same time the D-mark is widely predicted to recover against the dollar in coming months, with forecasts ranging around the DM 2.25 level against the dollar compared with DM 2.39 currently.

These factors should combine to bring about a substantial reduction in the net oil import

Effects on producers, Page 4

bill, which in 1981 and 1982 was around DM65bn. To what extent these trends will be offset by an increase in the volume of oil imports will depend on the course of the economy.

In the past three years, partly under the impact of recession, oil consumption has fallen sharply, although in 1982 the pace of this decline slowed considerably to only 4.8 per cent. West Germany imports about 95 per cent of its oil needs and oil accounted for some 42 per cent of primary energy consumption in January/June 1982, compared with 55 per cent in 1973. Since a sharp economic upswing is not expected, the volume of imports should not increase too rapidly.

While hopes are high for an easing of the energy burden, current prices suggest that they have yet to be realised. In January the cost of oil imports per ton was still averaging DM 608 compared with DM616 in the whole of 1982 and DM 619 in 1981, according to BP's West German subsidiary.

Assuming that the anticipated fall in oil prices and the partly-related strengthening of the D-mark take place, the Federal Republic can expect this to contribute to a further easing of inflationary pressures, inflation has already fallen under the 4 per cent level on o year-on-year basis. Togeher with the strong surplus on the balance of payments, this would give the Bundesbank, the West German central bank, the room for manoeuvre it is looking for to continue its policy of easing interest rates.

Instant tonic for embattled France

BY PAUL BETTS IN PARIS

A REDUCTION of $4 or more in the Opec marker price of $34 a barrel of oil would provide on instant tonic to the embattled French economy. It would also be particularly timely, coming so soon after the franc bas yet again been buffeted in foreign currency markets.

Mr Edmond Herve, the French Energy Minister, has estimated that if Opec were to drop its marker price to $30 a barrel, this would save the French economy between FFr 12bn (£1.15bn) and FFr 15bn. The size of France's oil imports has traditionally made the country extremely vulnerable to swings in international oil prices.

Although important efforts bave been made to rednce France's dependence on imported oil, of which about 70 per cent comes from Opec producers, the country's oil bill last year totalled FFr 130.1bn. This was 1 per cent less than 1981's bill of FFr 131.5bn.

A decline in oil prices would thus offer some welcome relief to France's heavy foreign trade deficit which ran to FFr 93.3bn last year and which is undoubtedly the single biggest economic headache facing the Government of President Francois Mitterrand. The total deficit for energy products alone last year was FFr 178.4bn.

Should the dollar eventually ease against the French currency to around FFr 6.50, energy officials in France estimate the country could save a further FFr 10bn on its oil bill. While the amount of oil France imported last year declined by 15 per cent, the actual oil bill declined by a meagre 1 per cent.

The official rhetoric, however, continues to warn Frenchmen to treat a sharp decline in Opec prices with extreme cantion.

Japanese growth rate likely to increase

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN'S economic growth is expected to receive a small but significant boost from the cuts in crude oil prices agreed on by the Opec countries. Lower oil prices will also mean an increase in Japan's already ample external trade surplus and should bring about at least a marginal strengthening of the yen.

For Japanese industry the cuts could lead to improved profits during the April-September business term, instead of the third consecutive half-yearly earnings decline that was previously being forecast.

The exact impact of the oil price cuts on the domestic economy will depend on how the cuts affect the economies of the oil exporting nations themselves, since Japan is a major exporter to many of the countries concerned. Estimates of the extra GNP growth that could stem from a 10 per cent price cut range from 0.1 per cent in the first full year after the new prices take effect to around 0.3 per cent. In the second year the impact could be to increase growth by up to 0.8 per cent in real terms, even if there are no further falls in prices. Japan was expecting a GNP growth rate before the price cuts of somewhere between 2.5 and 3 per cent on an annual basis.

Faster domestic economic growth will reflect the transfer back to Japan from oil exporting countries of some $4.5bn (£3bn) to $5bn per year in the form of a reduced oil import bill. Japan's exports to the oil producing nations could fall by as much as $1bn per year.

Japan, however, will suffer less from this reverse impact than West Germany. Because of this, and because oil occupies an exceptionally large share of total Japanese imports, the impact of oil price cuts on the yen exchange rate is expected to be quite favourable.

Saudis can stand the strain

BY MICHAEL FIELD

THE MEMBER of the Organisation of Petroleum Exporting Countries (Opec) which should be best able to take a drop in the price of oil in its stride is Saudi Arabia. Many people in the Kingdom, members of the idealistic, technocratic bourgeoisie, think that cheaper oil and a radical reduction in Government spending are exactly what the country needs to ensure its social stability.

At present the Kingdom is thought to be producing about 3.5m barrels a day (b/d), of which just under 0.5m b/d goes for domestic consumption. This overall production figure compares with the 4.5-5.5m b/d which it has always been said is the level of production Saudi Arabia needs to live comfortably.

If the present level of production were to continue for a year at a price of $29 a barrel, Saudi Arabia's oil revenues would run to about $30bn. To this should be added the proceeds of natural gas liquids sales—about $2bn—and income from the foreign investments of the Saudi Arabian Monetary Agency (Sama), which in 1983 may be about $12bn.

Total Saudi revenues under these conditions would be $44bn, which is little more than half of the $80bn which the Government has been spending in the 1982-83 financial year. Some $10bn of this figure has been going to foreign aid, mostly to Iraq as a war subsidy.

Obviously the Saudi Government will have to cut its spending radically, or start drawing on the capital of its financial reserves, which total nearly $150bn.

The Government is starting already, in time-honoured fashion, to delay payments to contractors. In the next few months it will also delay the beginning of work on new projects and stretch out the implementation projects that are already under way.

The Government is unlikely formally to announce the cancellation of projects, though in practice it will do virtually the same thing by indefinitely postponing decisions on implementation. The Government's options in this area look quite limited.

It will not want to cut its spending on schools, hospitals, feeder roads in rural areas and similar social programmes, particularly in the provinces. These are politically important and, compared with many of the projects associated with the big cities, they are not particularly expensive.

At first sight, an obvious and fruitful area for spending cuts would be the development of the vast industrial cities of Jubail and Yanbu, where the Government and its foreign partners are building about a dozen major oil refineries and petrochemical plants. These are enormously expensive—most of them will cost $1-1.5bn each.

Given the large surpluses of refining and petrochemical capacity in the industrialised world, it also seems that Riyadh will have great difficulties in finding markets for their output.

From the Saudi Government point of view the problem with abandoning any of the Jubail and Yanbu projects is the loss of face it would entail. Ever since the original oil price rises of 1973-74 the Kingdom has said that it sees its medium-term economic future in diversifying into oil and gas-based industry. The Jubail and Yanbu projects are at the core of this policy.

It is quite likely however that some of the petrochemical and refinery projects will be put into limbo. Certainly two refineries planned for the province of Qassim, north of Riyadh, and the south-west coast, near Jizan are in this category. A bigger project which is now bound to become dormant is the Texaco-Chevron-Petromin lube oil refinery at Jubail.

Other projects may be abandoned as a result of the withdrawal of foreign partners. Dow Chemical of the U.S. pulled out of an ethylene-based petrochemical project at the end of last year—though in this case the Saudis promptly took over the foreign company's equity and announced that they were pressing ahead with the project more quickly than before.

The most practical areas for cuts in Government spending are in luxury projects. These include sports complexes, which have been greatly promoted in the past by Prince Faisal bin Fahd, one of the King's sons.

Also in the luxury category are the colossally expensive and spectacularly opulent accommodation and welfare facilities, including more than 20 hospitals, that have been built for the Saudi armed forces. Much more of the Kingdom's defence expenditure has gone to these facilities than has been spent on military equipment.

Even here, though, personalities are important. All military spending ultimately comes under Prince Sultan bin Abdel-Aziz, a full brother of the King, or Prince Abdullah bin Abdel-Aziz, the Crown Prince. Both of these men regard the military as their constituency and will be reluctant to have the funds at their disposal reduced.

Bahrain's economic health tied to Riyadh

By Mary Frings in Bahrain

THE OFFICAL price of Saudi oil is of crucial interest to Bahrain's economy. In 1982 Bahrain depended for 40 per cent of its budgeted revenue on income from the offshore Abu Safa field, which it shares with Saudi Arabia. Revenue from its own declining oil resources amounted to only 34 per cent.

Production levels at the field, which is operated by Aramco, are controlled by Saudi Arabia, and Bahrain's share is taken not in oil but in cash. Last year it is believed that Saudi Arabia maintained payments at close to the budgeted levels in spite of the overall cuts in its own production, but a severe cut in prices is much more likely to be passed on.

The original budget estimates for 1983 relied on increased revenues from Abu Safa, which accounted for 50 per cent of the total BD 646m (£1.1bn) budget.

A further reason for Bahrain's concern over the price of Saudi crude is its 250,000 b/d refinery, which at full capacity takes over 80 per cent of its feedstock by pipeline from Saudi Arabia. Because of the depressed state of the products market, which has made it uneconomic to process crude at $34 a barrel, throughput for much of February was down to the 42,000 b/d available from the Bahrain field. An average of no more than 50,000 b/d is expected this month.

Caltex, with a 100,000 b/d throughput entitlement to match the 40 per cent interest it has in the refinery after the Government took a 60 per cent holding in 1980, has run no crude in recent weeks.

The health of the refining company, Bapco, has an importance far beyond its direct contribution to government investment income since it is the island's biggest industrial employer with 4,400 Bahrainis on the payroll.

Unlike its richer neighbours, Bahrain does not have substantial reserves on which to draw in times of financial stringency. The Bahrain Monetary Agency states that net official reserves at end of 1981 were "sufficient for about 12 months non-oil imports at the current level"—that is about $1.6bn.

REFLATION MEASURES STUDIED

Japan acts on economy

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN'S Ministry of International Trade and Industry (Miti) is to study measures aimed at propping up eight of the weakest or most sensitive sectors of the economy in a preliminary move by the Government to produce a new reflation package.

The eight sectors include housing, small and medium-sized companies, the aluminium industry, private capital investment and what are described as "big projects."

Once Miti has completed its study, the special inner economic committee of the cabinet will decide whether money can be spared for action.

Miti began work on its study of reflation measures last weekend after what officials described as "vague" instructions from Mr Yasuhiro Nakasone, the Premier, that some steps should be taken to reflate the economy. His instruction followed the publication of figures which show unemployment at its highest level for 30 years.

Economic reflation packages in Japan are normally drawn up under the supervision of the Economic Planning Agency (EPA) in close consultation with the Ministry of Finance (MoF) which has to allocate the necessary funds.

Mr Nakasone's decision to have take the lead in drafting the next package presumably reflects the fact that the MoF and the EPA remain wide apart on economic policy questions.

The planning agency is a known advocate of Keynesian measures to stimulate the economy but MoF officials take the view that the money needed for this purpose is simply not available.

Differences between the two were dramatised early this year when a medium-term economic plan drafted by the EPA had to be scrapped after MoF had challenged its assumptions about the budget deficit.

Both the MoF and the EPA will eventually have to be involved in decisions on the new reflation package. However, the government apparently hopes that before this stage is reached the Ministry of International Trade and Industry may be able to select targets for government expenditure that offer better than average value for money.


Yasuhiro Nakasone

One of Miti's tasks will be to conduct a study of public works projects with the aim of discovering which types of spending produce the biggest spin off for other sectors of the economy. Miti may also investigate the possibility of having some public works investment carried by private companies instead of by the government.

Kuwait diversifies, but lean time ahead

BY KATHLEEN EVANS IN KUWAIT

AT THE New Delhi summit of Non-Aligned nations, the Kuwaiti Emir, Sheikh Jaber al Ahmed al Sabah, took the opportunity to warn Third World nations that the fall in oil revenues would mean less money available for developing countries and liberation groups. It was a sign of leaner times ahead.

Kuwait was the first Gulf country to experience a budget deficit because of the slump in the oil market. With foreign assets of $50bn and an investment income previously estimated at $8bn annually, Government spokesmen have expressed little concern about the country's overall condition, yet there are a lot of unforeseen expenses this year, and the cushion of reserves and investment income is looking increasingly lean and lumpy.

Oil revenues have fallen dramatically in the last few years, largely because of Kuwait's adherence to its old Opec quota of 650,000 b/d. Receipts from oil exports have historically accounted for 95 per cent of Government revenue, but since 1979 they have fallen from $21bn to $9bn last year, a fall of 33 per cent in the first three quarters of last year.

This development provided the background to Kuwait's recent acquisition from Gulf Oil of refineries and nearly 1,600 petrol stations in Europe. Already two-thirds of its oil production is being exported in the form of refined products not subject to the Opec price structure, and this latest deal with Gulf will tie up about one fifth of its total output.

The drop in oil receipts has been followed by a decline in investment income. Central Bank statistics show that it slipped from $6bn to $4.6bn in the first three quarters of last year. A major reason for this is the decline in interest rates, but there have also been reports of the state divesting itself of a number of equity holdings in Europe.

Traditionally Kuwait, like many other Gulf countries, has never considered income from this sector as a source of revenue for the budget. Investment revenues have been regarded as long-term pension funds for the nation. But as one local economist commented: "It is no longer rational to exclude investment income from the budget."

Meanwhile, expenditure has been rising. The current budget of $10.6bn represents an increase of 18 per cent over the previous fiscal year, with nearly two-thirds of that going into current spending.

Some efforts have already been made to cut spending by freezing salaries and halting recruitment of Government staff and now the Emir has warned that some services provided by the state may now be charged for.

A number of projects have already been postponed, and local observers believe that out of total capital budget of $2.8bn, only $1.9bn may actually be spent. Unlike other nearby countries, Kuwait has managed to do this without delaying contractors' payments.

Overall, the budget deficit was estimated this year to be just over $1bn, but that was before the stock exchange crisis broke in September. The Government has now had to put aside $1.7bn into a compensation fund for small investors; stock purchases to support the official market have cost another $1.3bn, and a further $270-290m may be spent in the remainder of the fiscal year.

Nkomo backs dissident activity, minister claims

BY TONY HAWKINS AND MICHAEL HOLMAN IN HARARE

A SENIOR Zimbabwe cabinet member yesterday renewed allegations that Mr Joshua Nkomo, the exiled opposition leader, was backing dissident activity in the troubled province of Matabeleland.

Mr Enos Nkala, Minister of National Supplies, was reported by the state-owned news agency yesterday as saying that residents of the province, where Mr Nkala had addressed weekend rallies, were "openly denouncing the party (Mr Nkomo's Zapu) for sponsoring dissidents that have brought nothing but misery to them."

This hard-line attitude hardly suggests that Mr Nkomo will get a sympathetic hearing should he return to Zimbabwe as suggested by Mr Robert Mugabe, the Prime Minister, at the weekend.

But these comments from Mr Nkala—one of the most outspoken and strongly anti-Zapu members of the cabinet—were accompanied by apparently conciliatory moves.

Mr Nkomo's Bulawayo lawyer, Mr Bruce Longhurst, was said to have been released from custody yesterday and Zapu expects that Mr Nkomo's daughter and son-in-law will also be released shortly.

Although there is no official confirmation, Mr Josiah Chinamano, acting President of Zapu in Mr Nkomo's absence, is believed to be seeking talks with Mr Mugabe aimed at defusing tensions.

Both parties face critical decisions in the coming weeks. The ruling Zanu, for its part, must demonstrate that its campaign against Mr Nkomo is not a vendetta against Zapu.

Zapu must now decide whether it has any future as an opposition party determined to contest the next general election which must be held by February 1985. Its alternative is to accept Zanu dominance and seek the best possible deal for its integration into a de facto one-party state.

Reagan sends invitation to Hawke

By Michael Thompson-Noel in Sydney

PRESIDENT Ronald Reagan of the U.S. has sent an invitation to Mr Bob Hawke, Australia's new Labor Prime Minister, to visit Washington, and his best wishes for the success of the new Government.

But the visit will not take place until after Mr. Hawke's national economic summit of Australian business and union leaders, to be held next month.

In his letter President Reagan said the two countries had a long tradition of friendship and co-operation.

He added that the Anzus Alliance between Australia, New Zealand and the U.S., transcended military and security needs, and had come to encompass a range of political, economic and cultural interests.

Peking steps up attack on U.S.

By Mark Baker in Peking

CHINA has intensified its attack on the U.S. over Taiwan by accusing the U.S. Senate and House of Representatives committees of "brutal interference" in its affairs.

It has accused the foreign relations committees of the two houses of a "grave violation" of the norms of international relations by agreeing to consider resolutions arguing for the rights of the Taiwanese.

The draft resolutions, received within the last two weeks, say that Taiwan's future should be decided "peacefully, without any threat and in such a way that can be accepted by the people of Taiwan."

Concern in Lebanon over U.S. stance

By Patrick Cockburn in Beirut

THE LEBANESE Government is growing more concerned that the U.S. will increase support for Israeli demands for a security presence in southern Lebanon unless talks being held in Washington on an Israeli withdrawal are successful.

Mr Elie Salem, the Lebanese Foreign Minister, and Mr Yitzhak Shamir, the Israeli Foreign Minister, are in Washington for talks with Mr George Shultz, the U.S. Secretary of State.

South Africa tightens 'pass law' for blacks

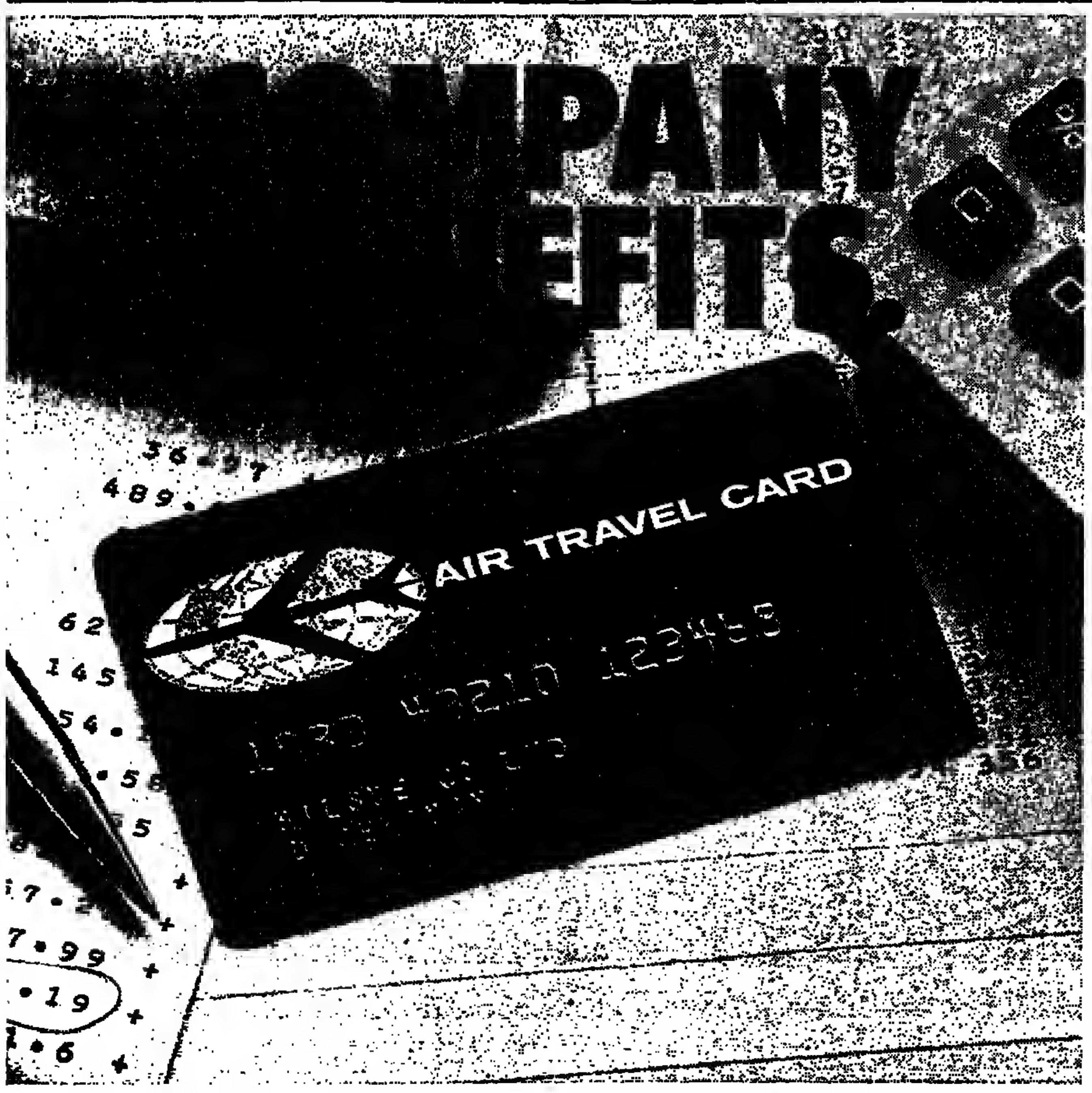
BY BERNARD SIMON IN JOHANNESBURG

INFLUX CONTROLS over blacks in South Africa have been tightened, according to a report by the Black Sash, a group which advises blacks who fall foul of the so-called "pass laws."

It says that "obedience to the law is now impossible for most black people in South Africa. Skill in disobedience and in evasion of the forces of law and order, and in the manipulation of the system by illegal means, is the only way to successfully win survival."

Dr Piet Koornhof, Minister of Black Affairs, disclosed recently that over 206,000 people were arrested for influx control offences last year, almost double the number in 1980.

The Black Sash confirms an impression that officials of Dr Koornhof's department frequently act unlawfully and arbitrarily.



Shift in mood at non-aligned summit

BY DAVID TONGE IN NEW DELHI

PUT TOGETHER the sheikhs, kings, presidents and leaders of 97 countries and two liberation organisations for a week and they build a mountain of paper and a tower of Babel.

Prepared speech follows prepared speech, emptying the conference hall, until it fills to hear that a verbose communique has been agreed. The officials who have haggled throughout the previous nights are thanked. The leaders fly out leaving a little history, fading garlands and platitudes.

Yet the 141 closely printed pages of texts published in New Delhi this weekend at the end of the seventh summit of the non-aligned movement confirm a clear shift in the mood of the poorer half of the world.

On the political side, even if the U.S. is attacked for its individual policies, there is a direct repudiation of efforts by Cuba, the movement's last chairman, to have the movement accept that the Soviet Union is the "natural ally" of the developing world.

On the economic front, the belief that the world has to unite to tackle its problems has replaced the confrontational approach of the past nine years.

"Immediate measures" is the new catch phrase which the West will be hearing in bodies such as the International Monetary Fund and the World Bank. The demand for giving the south more of the levers of power and restructuring the world's economy is retained, but the short-term focus is shifted to tackling debt and obtaining finance for development.

To this extent both Mrs Indira Ghandi, the Indian Prime Minister and the movement's chairman for the next three years, and the West can feel that the summit was a success.

But the overriding message from New Delhi was one of frustration—frustration at the U.S. for its policies in areas such as the Middle East and Central America, and frustration over the insignificant results obtained from that growth industry of diplomacy, the stream of glossy conferences held to promote a "new international economic order."


Mrs Indira Gandhi

This message is most stridently voiced in the conference's 54-page political text. This repeats many of the "base lies and malicious attacks upon the good name of the U.S." which Mrs Jeane Kirkpatrick, the U.S. ambassador at the UN, condemned after wading through one of its 1981 communiques.

At the time she wrote to 61 countries, asking them to dissociate themselves from "such vicious and erroneous language." The U.S. congress has since decreed that a country's stand on this matter should be a criterion for judging what U.S. aid it receives.

Last week, in the hot-house atmosphere of a Third World conference—far from the contact with the West which goes on in the United Nations and not needing to push a button identifying their vote—the countries of the Third World again showed how little they mind such threats.

The rhetoric which came out is as anti-colonial and anti-imperial as ever. But its content varies according to area as individual sections of the text are left to the countries concerned.

The Africans are relatively restrained, only attacking the U.S. three times. The Arabs have produced a text which is passionate in its condemnation of Israel and the U.S. but which leaves the door open for President Ronald Reagan's peace plan.

The 17 Latin American and Caribbean countries represented concentrated their attack on the "destablisation efforts" being mounted by the U.S. against Cuba, Grenada and Nicaragua. They also condemned Washington's refusal to back a negotiated settlement in El Salvador.

Mrs Gandhi told a Press conference: "I do not think there could be a single person here who is unaware of interference, destablisation, removal of elected leaders and putting up puppet regimes and so on in other parts of the world."

But the more substantial question is whether this adds up, as Singapore claims, to a "slow motion hijacking" of the non-aligned movement.

With one-quarter of its members pro-Western, half relatively independent and only the remaining one-quarter close to Soviet foreign policy it would be surprising if Singapore's claim were true. Indeed, the short and simple answer to the question is no, according to countries like Yugoslavia and India which helped found the movement in 1961 and have since seen themselves as its conscience.

As Mr S. Rajaratnam, Singapore's second deputy Prime Minister, said at a dinner during last week's summit: "The U.S. has learned there are emerging forces in the Third World. It must not repeat the mistakes of the 1950's of supporting all those repressive regimes in Central America if it goes on insisting there is no third option, they will all go communist."

The non-aligned movement's own search for a third option goes back to the days of Nasser, Nehru and Tito, the movement's founding father. In the two decades of its existence the movement has grown steadily to become the most influential Third World body.

Mrs Gandhi has been saying that it is in the economic sphere and disarmament that she will be putting her emphasis. Hopes of forging an alliance between the oil producers and other developing countries to force through change have crashed.

Instead, India, arguing that the present debt crisis is a threat to both North and South, is concentrating on this problem.

Last week's summit saw these specific plans:

- To use April's meeting of the finance ministers of the development committee of the IMF and World Bank to press calls for a major debt restructuring exercise and a debt facility at the IMF.
- To start talks with officials of the major industrialised nations before their meeting in Williamsburg U.S. in May.
- To concentrate on specific emergency measures at Unctad 6 in Belgrade in June.
- To have the annual meeting of the IMF and World Bank in September start preparations for an international conference on money and finance for development.
- To ensure as many heads of state as possible attend this year's General Assembly of the United Nations so as to build up the political pressure for a fresh approach to the world's economic problems.

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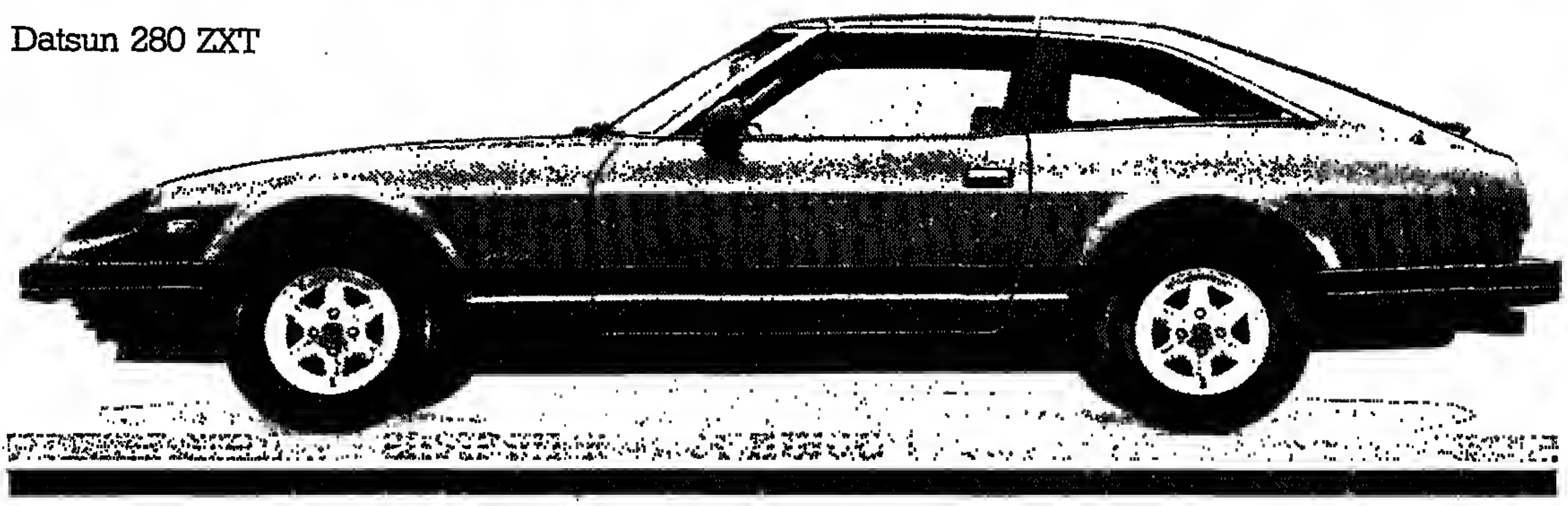

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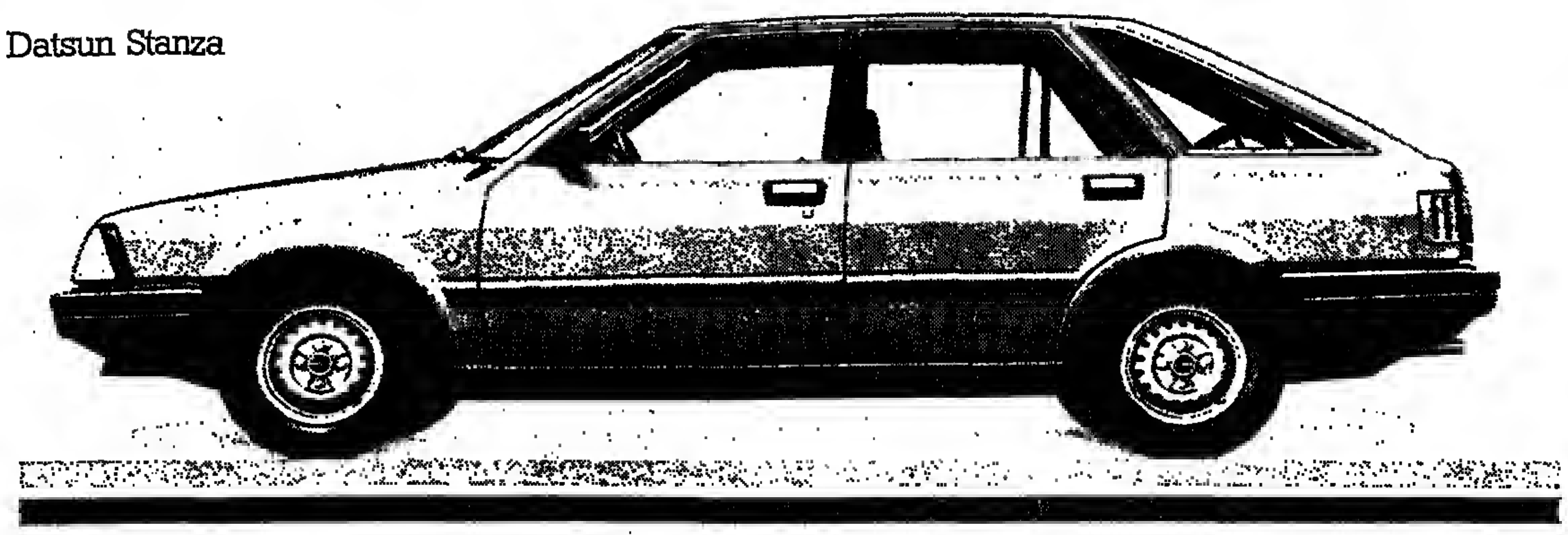
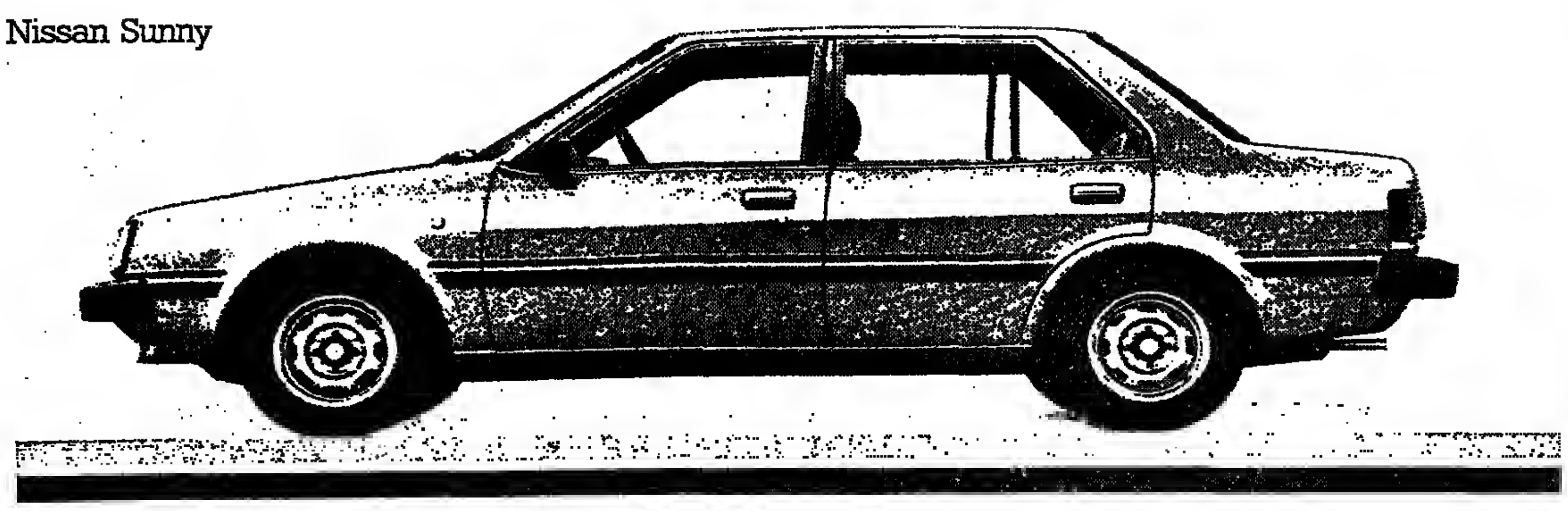


Nissan Sunny



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AMERICAN NEWS

Withdrawals could follow short-range N-weapons review

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE PENTAGON is conducting a major review of its short-range nuclear weapons that could lead to further withdrawals of battlefield nuclear warheads from western Europe, officials said here yesterday. Such a move would be intended to have the maximum political impact at a time of continuing controversy over the basing of American nuclear weapons in Europe.

Nato has already removed 1,000 of its older short-range warheads, leaving about 6,000 in all, in preparation for the deployment of 572 new American Cruise and Pershing 2 intermediate range missiles from the end of the year. It has also been agreed that an equivalent number of older weapons will be withdrawn as new ones are introduced.

Now, however, the Pentagon appears to be holding a much more comprehensive review of battlefield nuclear weapons, some of which are up to 20-years old. There is a growing realisation that they would be difficult to use in wartime, and General Bernard Rogers, the Nato supreme commander, has argued for an over all reduction in Allied dependence on nuclear weapons.

Under the classic Nato doctrine, short-range weapons would be used, possibly following the firing of a "warning shot," to stop a successful conventional invasion of Western Europe by the superior Warsaw Pact forces. The Pentagon, however, now seems to be putting more emphasis on striking well behind the forward line with conventional weapons.

In Washington, Senator Joseph Biden, a Delaware Democrat, is circulating a letter to President Ronald Reagan calling for reductions in short-range weapons, which are regarded as increasingly dangerous in Western Europe.

Mr Biden is the chairman of a North Atlantic assembly group which has concluded in a report that the present tactical nuclear systems are "effectively unusable." Extracts from the report, which is soon to be released, were printed in yesterday's Washington Post.

According to this version, the report says that many of the short-range systems are inaccurate and have warhead yields that are too high for battlefield use.

Of the 6,000 short-range warheads, more than 2,000 are old 8-inch and 155 mm artillery shells, and another 600 are warheads for the Lance missile. At least 500 are atomic demolition munitions, or mines, and about 600 are warheads for the Nike Hercules anti-aircraft weapon.

Voters' trust in Reagan diminishing, poll shows

NEW YORK—A majority of American voters do not trust President Reagan as a leader, despite their belief that the economy is improving according to a Time magazine poll.

Only 46 per cent of the 1,008 voters polled in the telephone survey considered the President a "leader you can trust," a decline from 57 per cent in May, 1981, Time said.

Of those asked, 50 per cent expect their standards of living to improve within the next two years, an increase of five percentage points since December. Those who thought the economy was going well jumped from 35 to 45 per cent, Time said.

Seventy per cent of the respondents who voiced an opinion on the issue said they believed the President "represents the rich rather than the average American," Time said. That is an increase of seven percentage points since December.

According to the poll, 51 per cent of respondents said they hoped Mr Reagan would not run for the presidency again. Just 37 per cent said they hoped he would seek re-election, while 12 per cent were undecided.

Reuter

Argentine policy split forces resignation

By Jimmy Burns in Buenos Aires

GROWING differences within the Argentine Government over economic policy claimed their first casualty yesterday with the resignation of Sr Alberto Fraguio, the Under Secretary for Commerce.

There was no official explanation. However, it is understood that Sr Fraguio resigned in protest at an anti-inflation package of measures being prepared by Sr Jorge Wehbe, the Economics Minister.

Sr Wehbe is believed to have ceded to intense pressure from the ruling military junta and is expected to announce soon significant changes to his economic programme, including price controls and a lowering of interest rates to reduce inflation.

Following dramatic increases in both the consumer and wholesale price indexes in January and February, Argentine inflation rate is now running on an annual basis of more than 400 per cent. This is well above Sr Wehbe's original target of 160 per cent

The scope and scale of the anti-inflation package has become the centre of intense discussion both within the Economics Ministry and the Central Bank in recent days. Some economic observers were yesterday suggesting that the package would signify a modification of the agreement reached by Sr Wehbe and the International Monetary Fund last December, with incalculable consequences for the country's foreign debt negotiation.

● Sr Julio Gonzalez del Solar, Central Bank governor, has told Argentina's leading commercial bank creditors that the country hopes to pay off several hundred million dollars in interest areas by the end of this week or next, Peter Montagnon writes.

This would pave the way for completion of Argentina's planned $1.5bn loan from commercial banks which is now expected to be signed late this month or in early April.

The public sector interest arrears arose because of an internal dispute between the Argentine Government and certain public sector entities that wanted a subsidy in pesos to allow them to purchase the necessary dollars. Argentina does, however, now have sufficient foreign exchange reserves

Economic growth 'would ease 3rd world debt crisis'

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE Third World debt crisis could be a thing of the past within two or three years if a moderate level of economic growth is restored to the industrialised world, according to a study by Morgan Guaranty Trust.

Growth of about 3 per cent annually in industrialised countries would create more demand for the exports of less-developed countries (LDCs). This would allow them to improve their ratio of debt to exports to such a degree that they would regain broader access to loans from private financial markets and resume their economic growth by the middle of this decade, the U.S. bank argues in the latest edition of its publication World Financial Markets.

"In this event the less developed countries essentially face a medium-term liquidity problem that must be bridged by official institutions and the banks. However, if there is no recovery and if the LDCs fall short in their adjustment efforts, the LDC debt problem will assume much longer-term solvency aspects," Morgan Guaranty argues.

To forestall this problem, it notes that a number of schemes have been proposed by leading commercial bankers for some form of government supported agency which would take over the loans to developing countries now on the books of commercial banks.

But Morgan Guaranty believes that such schemes would be resisted by banks who remain unwilling to write down these loans or forgo interest payments. Their forced introduction would hamper the resumption of badly needed financial flows to third world countries, it says.

For the time being "the only visible approach lies in industrial countries' recovery accompanied by stepped-up official financing through the International Monetary Fund in partnership with commercial bank lending." The recently agreed 50 per cent increase in Fund quotas or subscriptions should therefore be implemented without delay, it says.

But Morgan also cautions that the banking system should be protected from a recurrence of the crisis that has hit it over the past year. This means urgent attention should be paid to improving the available information on debtor countries, particularly where foreign exchange reserves and short-term borrowings are concerned.

Banks also need to tighten up their own internal criteria for assessing country risk and credit limits in relation to their own loan portfolio balance and capital strength, it says.

Search for a banking lifeboat, Page 33

Andrew Whitley reports from Pasamaribo on Surinam's dependence on aluminium

A left-wing regime that needs its multinationals

IF IT IS TRUE that what is good for General Motors is also good for America, then the state of health of Alcoa, the Aluminium Company of America, must be critical for the wellbeing of Surinam.

Bauxite and its products, alumina and aluminium, are responsible for 18 per cent of the country's Gross Domestic Product, a third of Government revenues and 80 per cent of exports.

Alcoa has been there since the beginning, shipping bauxite to its Mobile, Alabama smelter, across the Gulf of Mexico, for 60 years. A more recent, humbler, arrival is Billiton, the Royal Dutch Shell subsidiary.

In the former Dutch colony, the big U.S. company created one of the few wholly integrated aluminium industries in the world. It had its own cheap hydroelectricity and accessible bauxite deposits and seemed very likely to see out its 75-year agreement, due to end in the year 2032.

But Alcoa, like the rest of the industry worldwide, is now in trouble. It plunged into the red in the second half of 1982 and the downward slide is continuing. The Mobile plant has shut down, the Surinam subsidiary, Suralco, is fighting to survive in its turn.

Experts of metal grade bauxite from Surinam have halted, and Suralco says it no longer intends to export the ore on a regular basis. National output of bauxite slumped from 4.9m tonnes in 1980 to 3.1m by the end of last year.

Alumina and aluminium production at Suralco's Paranam works on the Surinam River, upstream from Paramaribo, has dropped steadily over the past two years, and will decline further this year, according to Mr Worth Hobbs, Suralco's managing director. The 1.4m tonne capacity smelter, which also processes Billiton's ore, is presently running at just under 70 per cent capacity.

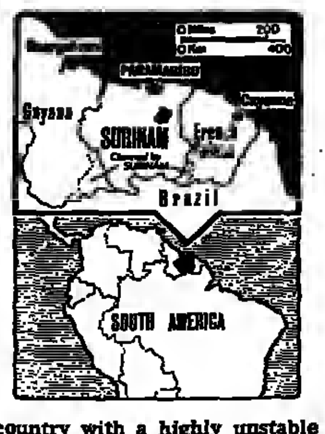
For the three-year-old regime of Col Desi Bouterse, these dismal figures mean a sharp contraction in earnings from the industry, just at the time when it needs the money most.

The Government and the two Western minerals companies are presently locked in the annual negotiations over the bauxite levy. Last year the industry succeeded in forcing down the levy by 28 per cent: a trend which Suralco is determined to continue—and the Surinam Government to resist.

The result of these talks and parallel labour negotiations with the bauxite workers' union could be crucial for the survival of the companies in Surinam and for Col Bouterse's Left-wing regime. Both sides are aware of the fact.

Alcoa's predicament is acute. It is losing money heavily on its Surinam operations, but must make substantial new investment over the next few years to compete more effectively with large new alumina smelters coming on stream in two neighbouring countries, Brazil and Venezuela.

Although Suralco denies it, the investment decision is as much political as economic. Should Alcoa be choosing a



country with a highly unstable regime, which is moving rapidly to the Left in a regional alliance with Grenada and Cuba?

If Alcoa and Shell were to pull out of Surinam, or run down their operations to a minimum level, the consequences for the regime—and the country, with its small population of 345,000—would be disastrous.

So, while the young revolutionaries publicly rant about the evils of imperialism, and the capitalist system, not a harsh word has been directed against the multinationals in their breast.

"We want Suralco to stay, to invest in Surinam, to be profitable," said Mr Winston Caldeira, Finance Minister in the newly-formed Government, committed, above all, to bringing Surinam's economy under national control. "There is no need for antagonism," he said.

Others take a similar pragmatic line. "We need private enterprise. At this stage of our development we are not so happy to nationalise," one senior government official said.

The reason for this pragmatism is plain to see. For the first time in its seven years as an independent country, Surinam is in financial difficulty, not primarily because of the aluminium recession, but as a direct result of the Dutch Government's decision last December to suspend the generous aid programme

The suspension decision was taken in a fit of anger against the killing by Col Bouterse's soldiers of 15 prominent opponents of the regime. Nor is the aid, which totalled Fl 3.8bn (£948m) over a 10 to 15 year period, likely to be resumed in the near future.

The steady inflow of up to Fl 200m a year disguised the fact that Surinam has a chronic current account problem, even when bauxite is doing well, because of its large services deficit. It also helped to cover the fact that since the February 1980 coup which brought Col. Bouterse and two small left-wing parties to power, Surinam's public finances have deteriorated sharply.

From a small surplus of Surinam guilders 24m (£8.8m) in 1980, the budget went into a deficit of SG 54m in the following year. This doubled to over SG 100m in 1982, representing 20 per cent of current revenues and about 5 per cent of GDP.

This year's budget has not yet been passed by the new government. But the Finance Minister says the aim is to keep the deficit below last year's figures by, among other steps, cutting subsidies to state organisations.

What the Government is not prepared to do is to lay off employees, even though the swollen size of the civil service is one of the causes of Surinam's problems. It employs about 40 per cent of the workforce.

To contain unemployment, estimated at 18 per cent, companies have not been allowed to dismiss workers without the permission of the Labour Ministry since January. The problem would be much worse in the unlikely event that many of the 180,000 Surinamese living in the Netherlands were to return.

The Dutch aid programme has helped create a society with one of the highest standards of living in Latin America. Per capita GNP last year was $2,860. Poverty is a rare sight in Paramaribo's well-ordered streets.

Surinam has also enjoyed two other features uncommon in the region — a low inflation rate and a small external debt. Debt servicing this year will cost only $2.2m on a gross outstanding debt of $19.7m.

All this may be about to change, however. The December killings prompted a fresh flight abroad of the well-off and fears are growing rapidly that without the Dutch aid Surinam could rapidly slide into the same state of ruin as its neighbour Guyana.

WORLD TRADE NEWS

Differences persist over Japan-EEC VCR deal

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

FOUR DAYS before Japan's self-imposed deadline for implementing measures to restrain its video cassette recorders exports to the EEC, differences of opinion still persist between Brussels and Tokyo about some aspects of the arrangement.

The Ministry of International Trade and Industry has promised that floor prices for Japanese VCR sets shipped to Europe will come into force this Friday. However, Miti and the EEC commission apparently do not see eye to eye about certain details of the floor price proposals, particularly those relating to categories of VCRs.

Miti officials have suggested that all VCR sets coming within the terms of the restraint arrangement should be divided into three basic categories of "large," "medium" and "popular" with the minimum permissible fob price in the popular category set at Y70,000 (£196).

The EEC, while not directly differing with Miti on prices, would prefer a division into at least four categories. One result of such a division would be that some sets classified by Miti as "popular" would be re-allocated into higher groupings carrying bigger price tags.

The fixing of floor prices for Japanese VCR exports to Europe is technically a matter for unilateral decision by Miti, not for negotiations between Japan and the EEC. Miti officials, however, have never made any secret of the fact that European reactions would be sought before the final details of the system were put in place. Japan has also stressed that it expects the EEC to drop anti-dumping charges against Japanese exporters in return for unilateral action to restrain exports.

A second condition for action on the Japanese side has been the willingness of the French Government to withdraw a ruling under which all VCR exports imported into France have been cleared through the small inland customs post of Poitiers.

Japanese officials said yesterday that they "fully expected" Philips and Grundig to drop their case against Japanese exporters as soon as the floor price system comes into force. This does not alter the fact that plans for proceeding with the case have yet to be formally scrapped. Japanese exporters have been given a deadline of April 1 to reply to a questionaire on their European pricing policies which could, at least in theory, become the basis for further action by the Community. The questionnaire was originally to have been answered by February but the time limit was extended.

Japanese certainty that the VCR anti-dumping case will eventually be dropped does not seem to be matched by confidence about the future of the French Government's treatment of imports. Some officials point to "Gallic pride" as a problem in this context. Others note that although existing import barriers may be withdrawn there is no certainty about what will be introduced in their place. Officials seem to feel, however, that at this point they have no choice but to go ahead with implementing the export restraint arrangements while hoping for the best from Europe.

Airbus A-310 wins final airworthiness certification

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE LATEST version of the European Airbus, the 200-plus seat A-310, has been awarded its certificate of airworthiness by French and West German authorities, nearly three weeks ahead of schedule.

So far, 16 operators have ordered a total of 102 A-310s, and the first aircraft are due to be handed over to Lufthansa and Swissair later this month. Lufthansa has ordered 25 A-310s, and Swissair 10.

The Lufthansa aircraft are powered by U.S. General Electric CF6-80A engines, while the Swissair aircraft will use the U.S. Pratt & Whitney JT9D-7R4 engines. The certificate of airworthiness covers both types of engines.

The certification is the culmination of a six-year programme, starting in the structural testing stage and culminating in a five-aircraft flight test phase during which a total of 1,680 hours were flown in 692 separate flights, including many overseas, covering 33 different airports.

M Bernard Ziegler, Airbus Industrie's senior vice-president for flight and support, commented: "This is undoubtedly the most difficult and severe certification procedure ever performed.

"Sometimes we had the feeling that the European authorities had set the bar too high, but we were riding a thoroughbred which clears all obstacles.

"However, it will be to the benefit and safety of our ultimate customers, the passengers, and we are now grateful to the airworthiness authorities who have pushed us to the extent of further reinforcing our enthusiasm for this wonderful machine."

Germans win Soviet gas turbine order

By Stewart Fleming in Frankfurt

A WEST GERMAN consortium comprising the AEG subsidiary AEG-Kanis and MAN-GHH Sterkrade has won a DM 230m (£63m) contract for the delivery of gas turbine components to the Soviet Union.

The components are for use in a natural gas pipeline which is being contructed in the Soviet Union. An official for AEG said yesterday that the companies were not releasing details of the sort of components which are being supplied.

He added that the equipment was not part of the AEG contract to supply turbines for the controversial gas pipeline from Siberia to Western Europe which the U.S. attempted to block construction of last year.

The delivery of the components is planned for completion by the end of 1984.

Iran seeks to mend Tokyo ties

By Jurek Martin in Tokyo

IRAN APPEARS to be about to make a determined attempt to improve both its political and commercial relations with Japan.

A fairly high level Iranian government delegation is due to come to Japan this summer, probably in June, in what would be one of the first such missions dispatched by Iran to a major industrialised country since the Revolution over four years ago.

According to the Japanese Foreign Ministry, the Iranian team will be headed by Mr Hossein Ardebili, the vice-foreign minister for international political affairs, and will include ranking officials from other Iranian governmental departments.

Ostensibly, the Iranian visit returns one paid last autumn to Tehran by Mr Nobuo Matsunaga, the Japanese foreign minister. However, the Japanese are specially interested that the Iranians have been so quick to accept the reciprocal invitation, and at such an apparently high level.

The major issues between Japan and Iran at present—oil purchases and the fate of the war-damaged Bandar Khomeini petrochemical facility—are technically matters to be resolved between the Iranian Government and the Japanese private sector.

A delegation from the National Iranian Oil Company was due in Tokyo last month to discuss new oil contracts with Japanese importers, but reportedly never arrived. Iran currently supplies about 10 per cent of Japanese oil imports, with the Japanese heavy purchasers of Iranian oil on the spot market.

Discussions on Bandar Khomeini between Iran and the Japanese industrial group headed by Mitsui have been proceeding, in both Tokyo and Tehran, for many months. The Japanese side, facing substantial, though insured, losses, insists that the project can only go forward if Iran takes it over as a national project, providing all development finance in the future.

Oddly enough, Iraq, with whom Iran is at war, also intends to send a government delegation to Tokyo later this year—reportedly to discuss Iraqi debts to Japanese companies. No date for this visit has been made known.

British exports should be 'more competitive this year'

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

PROVIDING rigorous control over costs is maintained, British exports should be more competitive this year, according to Lord Limerick, outgoing chairman of the British Overseas Trade Board (BOTB).

This judgment, contained in the annual report of the BOTB, published yesterday, is based on an assessment of the effects of the depreciation of sterling against the major trading currencies, first against the dollar and then latterly against other major trading currencies, specifically those in Europe.

Although demand in the UK's markets for manufactured goods declined by about 2 per cent in volume last year, the BOTB is expecting, on the basis of current international economic forecasts, that demand will pick up this year by between 2 and 3 per cent.

This likely rise in demand, allied to the depreciation of sterling and the improved productivity of British manufacturing, noted by the BOTB a year ago, led Lord Limerick to express "a restrained and balanced optimism."

Lord Jellicoe: incoming chairman of BOTB

Lord Limerick is retiring from the BOTB and will be replaced as chairman by Lord Jellicoe, the chairman of Tate and Lyle.

Lord Limerick noted that after the fall of sterling in recent months, exporters wanted a period of exchange rate stability. The fall of sterling helped export prices and reduced the scope for import penetration, although it raised the cost of imported materials and checked the fall in interest rates.

But on balance, Lord Limerick said, "we are reasonably poised at least to hold on to our share of world trade and to take advantage of the coming upturn."

Last year, British non-oil manufactured exports just about held their own in volume terms, but there was a surge in the last quarter of the year, offset by a fall in January. Likewise the terms of trade excluding oil were virtually unchanged from 1981.

But there was a 6 per cent increase in the volume of non-oil imports and this led to a deterioration in the balance of non-oil trade, so that in value terms there was a deficit of £2.4bn.

The visible trade surplus, by value, was £2.17bn last year, compared with £2.98bn in 1981 and £1.8bn in 1980.

Overseas Trade Board to oppose further cuts in budget

THE BRITISH Overseas Trade Board (BOTB), the trade promotion arm of the Department of Trade, yesterday brought out into the open its opposition to any further cuts in its budget and laid down the lines of resistance to any Treasury pressure for more spending cuts.

"We have now reached the point of reporting to ministers that any further reductions in resources, either of manpower or money, could only be met by a corresponding reduction in the services we are able to give to exporters," Lord Limerick, the BOTB chairman, said yesterday in the annual report.

The Treasury is conducting an enquiry into civil service manpower levels for 1984-88 and the Department of Trade has to present its assessment by the end of this month on the level of staffing it.

The BOTB directly employs 950 people now, but as part of a long-running economy programme has to reduce this figure to 869 by April 1 next year. This will have meant a 26 per cent staff cut over the lifetime of the present Parliament.

Rig owners in Norwegian merger

BY FAY GJESTER IN OSLO

NORWAY'S ship and rig owners have decided to merge their respective organisations — Norges Rederforbund (NR) and Norsk Offshoreforening (NOF). The decision reflects the fact that many companies have interests in both rigs and conventional shipping, not to mention oil-related shipping such as supply vessels and standby boats. Negotiations about the merger will start soon and are expected to be completed some time next year.

Meanwhile, at NOF's annual general meeting last week, rig owners urged the Government to relax restrictions on foreign flag registration of Norwegian rigs. NOF Chairman Megne Reed said: "flagging out"—registering under foreign flags—was the only way to gain access to certain foreign markets, where the national authorities required rigs to conform to local rules and to be manned by crews made up at least partly of their own nationals.

Mr Reed also said that the rig owners would like to see regulations standardised, internationally.

Pakistan's new port is shunned

By John Elliott in Karachi

THE PAKISTAN Government is considering ways of reviving the flagging fortunes of its new port of Qasim on the outskirts of Karachi.

The port is being built at a cost of some $440m, but is operating at only a fraction of its capacity, despite being virtually complete.

Today contractors officially hand over the last of port's seven general cargo berths to the Qasim authority, but there is no prospect of the facilities being fully used for some years unless the port's finances are restructured.

The port was originally planned by the Government in 1972. In the late 1970s it was expected to cost Pakistan Rs 2.7bn (£140m). The cost has doubled because the estimate did not include the cost of road, rail, electrical and telecommunication links. Extra items have also been added and $54m of the additional cost has been spent on combating silting in an unprotected dredged approach channel whose side walls have collapsed in monsoon tides.

The port was intended to supplement Pakistan's main port of Karachi which was seriously congested in the 1960s, but Karachi is no longer working at full capacity because of improvements in its own facilities and a slump in international shipping traffic. There is, therefore, no incentive for ships to go to Qasim whose charges are four or five times higher than the Karachi port. The level of charges has been fixed at an uncompetitively high level because the Government has been insisting on a pricing structure designed to produce sufficient profits for 9 per cent interest to be paid on its own $330m, contribution to the cost of the port and for $108m of foreign aid to be serviced.

U.S. machine tool protection sought

The National Machine Tool Builders Association has asked President Ronald Reagan to limit imports of machine tools to 17.5 per cent of the U.S. market in dollar terms, Reuter reports from Washington. The group, seeking a five-year limit has filed a petition with the Commerce Department which said imports could cripple the U.S. industry. They took about 27 per cent by value of the market in 1982, or about 44 per cent by volume, it was claimed.

هكذا اصل الأصل

OUR PRICES BEFORE THE BUDGET.

£3·75* £3·53 £3·75 £3·38 £8·44

GOOD LUCK WITH THE SPEECH, SIR GEOFFREY. AS USUAL WE WILL HAVE NOTHING TO ADD.

OUR PRICES AFTER THE BUDGET.

£3·75* £3·53 £3·75 £3·38 £8·44

*The prices shown are standard 75cl bottle equivalents based on the price for litre bottles at BAA Duty Free shops. Although the 75cl is the normal High Street retail size, generally litre bottles are sold at BAA Duty Free shops since duty free allowances are usually in litres. The Duty Free litre prices are: Bell's Whisky £4.99; Gordon's Gin £4.70; Cossack Vodka £4.50; Courvoisier VSOP £11.25; Bacardi £4.99.

UK NEWS

Retail spending boom loses its momentum

BY ROBIN PAULEY

THE CONSUMER spending boom, launched last summer on the back of easier credit and lower mortgage interest rates which left people with more cash to spend, has now levelled off with the volume of sales about 5 per cent higher than a year ago.

Figures published by the Trade Department yesterday show that the upswing which started in July and persisted until reaching a record level in the Christmas period, without abating in the traditionally quiet period of October, has run out of steam, at least for the time being.

Nevertheless, retailers have had a welcome respite in the last 6 months after running on extremely tight margins for past three years. Most of the boom appears to have gone on goods already in stock and, to a lesser extent, on imported durables. So hectic retail activity has not been reflected in British industry's order books and the level of industrial production has remained persistently flat.

Although there has been little spending in advance of today's budget, there are bopeful signs for retailers. The cheap pound may encourage free-spending tourists to return to Britain in large numbers this year.

If interest rates fall further in the near future retail sales could advance strongly again. As further consumer demand cannot easily be met from existing stock, the key question is whether imports would again fill the gap or wbether UK industry is now sufficiently geared up to compete competitively at short notice.

The provisional estimate for the retail sales index, seasonally adjusted, in February is 110.5 (1978 = 100) compared with 110.1 in January and 110.0 in November, with the Christmas burst taking December's figure to 112.2.

But the figures for the first and second quarters of 1982 were only 106.5 and 106.8 respectively, and 106.4 io the first quarter of 1981.

Retail sales value in February, not seasonally adjusted, was about 8 per cent higher than in February 1982.

In January and February taken together, the average value of sales was also about 8 per cent higher than in the first two months of last year.

Within these global figures there are some large individual year-on-year changes.

The John Lewis Partnership, for example, increased the value of its sales by 17.5 per cent in February compared with February last year.

Canadian is named as state shipbuilding chief

BY ANDREW FISHER, SHIPPING CORRESPONDENT

MR GRAHAM DAY will become the highest paid chairman of a UK nationalised company when he succeeds Sir Robert Atkinson, 67, as head of British Shipbuilders with an £80,000 salary in September.

The Government yesterday confirmed that Mr Day, a 49-year old executive with the shipbuilding division of Dome Petroleum of Canada, would become the new chairman of the loss-making group.

Mr Day will also receive a performance bonus, described by the Department of Industry as "relatively small," with his salary, which compares with the £52,000 paid to Sir Robert.

The shipbuilding concern, nationalised in 1977, has been fighting for new orders in the industry's world crisis.

Losses shot up from £7m to £28m in the six months to end-September and are expected to be about double this for the full year to March 31, 1983.

Mr Day bas dual Canadian and British nationality and ran the Cammell Laird yard on Merseyside, now part of BS, in the early 1970s.

Ha beaded the organising committee preparing for nationalisation of BS and was due to become chief executive. But lengthy delays in Parliament led to bis departure in late 1976, despite a personal appeal from Mr James Callaghan, then Prime Minister, to stay on.

The high salary he will be paid reflects the Government view that remuneration must be substantial to attract people of sufficient calibre to run state-owned industries.

Sir Robert's contract was due to last until December 31, but he told Mr Patrick Jenkin, the Industry Secretary, late in 1982 that ha did not want a second term and wished to return to private industry.

He has been at BS on secondment from Aurora Holdings, the troubled engineering group of which he is still chairman. His salary was paid by BS to Aurora.

Mr Day will join the BS board as executive deputy chairman on July 1, becoming chairman and chief executive on September 1 for three years. No transfer fee will be paid to Dome, unlike the controversial arrangement by which Mr Ian MacGregor returned from the U.S. to Britain to run British Steel.

Mr Day, bespectacled with a black beard, said last night: "I'm not making money on the move." He referred to Britain's higher marginal tax rate than Canada.

The bonus, he said, would "probably be quite modest," perhaps 10 to 15 per cent of salary.

Without specifying his present Canadian salary he said there had been "some difficulty in bridging to that." His bonus would be assessed against a list of objectives agreed with the Government. One priority would be "to contain losses and try to reduce them." He said he had also had another job offer in North America in the past two months.

Banks to share cash outlets

BY ALAN FRIEDMAN, BANKING CORRESPONDENT

THE BATTLE between Britain's banks and building societies intensified yesterday as five banks announced plans to join forces in order to create a network of 2,500 shared cash dispensers.

The announcement that 15m customers of the Bank of Scotland, Barclays, Lloyds, the Royal Bank of Scotland and Williams and Glyn's will be able to draw cash from machines in England, Scotland and Wales comes only a week after it emerged that building societies are planning to introduce a country-wide system of shared cash dispensers.

It was made simultaneously in London and in Monte Carlo, where Mr Boh Amos, deputy chief general manage of Lloyds Bank, told a retail banking conference that about 1,000 of the "through-the-wall" cash machines would be Lloyds Bank Cashpoint devices. Mr Amos predicted the five bank system would be completed during 1984 or early 1985.

Barclays is to provide 750 machines, with the Royal Bank of Scotland making 320 available from next year and the Bank of Scotland (which is 35 per cent owned by Barclays) and Williams and Glyn's (Royal Bank's sister-bank), each promising a total of 200 dispensers.

Michael Cassel adds: Mr Richard Weir, secretary-general of the Building Societies Association, said the move would he "watched with a great deal of interest."

The societies, he added, were examining the options available to them to them to provide their own shared system.

Interest on energy bond overdue

By Eric Short

ANOTHER Gibraltar-based company, Cavendish Life Assurance, has apparently run into financial trouble. Interest payments on the Cavendish Energy Bond have been outstanding since November last year.

The Jersey branch of the trustee department of the Hongkong and Shanghai Bank which, as trustee for the £517,000 bond issue is responsible for making the interest payments, confirms that it has not received any money since before last November from which to pay the interest due.

The Cavendish Energy Bond is a lump sum investment paying investors an income of 12½ per cent net of basic rate tax over five years, with a return of capital at the end of the period. The assets are held in Parkford Petroleum Inc – a U.S. oil company based in Utah.

Mr Graham Richardson, managing director of the trust company, stated that the bank was pressing Parkford for the arrears of income. He said that Parkford was still a company in operation and he hoped to obtain a revised payments schedule from the company.

Cavendish Life is owned by the Oxford Marketing and Trading Company, which is registered in Nassau, Bahamas. It is not clear who owns Oxford Marketing or Parkford. In October 1981, when the Energy Bond was launched, they were both owned by Mr Patrick di Carlo. But ownership of Parkford and Oxford Marketing has changed hands a few times since then.

Marketing of Cavendish's products in the UK was done through a market company Cavendish Life Assurance Services (UK) but this company's two directors, Mr Hugh Mackay and Mr Patrick Ravenhill, resigned last November. The company's listed telephone is not answered and there is a question mark over its trading position.

Mr Richardson said that while he was explaining the position to those bondholders who contacted the hank, he did not feel a general circular to all bondholders would fill any useful purpose at present, since there was little to report.

Hongkong and Shanghai Bank were also trustees to certain bonds issued by another Gibraltar-based life company, Signal Life Assurance, which is now being wound-up. The bank paid £4.5m in compensation to those bondholders.

Dockers' pay dispute halts Tilbury

By Brian Groom, Labour Staff

THE PORT of London Authority's (PLA) cargo-handling operations were brought to a standstill yesterday when more than 2,000 dockers at Tilbury began an indefinite strike over pay.

Some 1,200 dockers working on general cargo in the enclosed docks are paid a basic wage of £106 a week but are demanding parity with tally clerks, whose basic pay accounts for nearly all of their average earnings of £135. Their 1,000 colleagues in the PLA's container and grain terminals joined in the stoppage.

The PLA says that average earnings for the lowest category of dockers are already £132, while top dockers earn an average of £158

The authority, which is expected to announce a loss of £3m to £4m for 1982, says it cannot afford the £3m a year which, it says, the parity claim would cost.

UK companies show interest in EEC funds

By Our Financial Staff

SMALL COMPANIES have been showing "tremendous interest" in the cheap European Community funds made available in the UK for the first time this January.

The Industrial and Commercial Finance Corporation (ICFC), the first UK financial institution to sign an "agency" agreement disbursing money earmarked under the New Community Instrument (NCI), said yesterday that it has already committed £2.5m of its first £10m tranche.

An ICFC spokesman said: "This is a fast take up. Usually there is a long gestation period – perhaps as much as six months – before a scheme like this gets going."

Polly Peck reaches Turkish TV deal with Thorn EMI

BY RAY MAUGHAN

POLLY PECK (Holdings), the fruit packaging group operating in the Turkish Federated State of Cyprus, has finally been granted an exclusive licence by Thorn EMI to make and market colour television sets in Turkey.

Turkey is expected to become a prominent area of operations for Polly Peck in both the citrus fruit and consumer electronics fields. Its Star Electronik Sanayii ve Ticaret subsidary has signed an agreement to manufacture and sell colour televisions from kits supplied by Thorn EMI Ferguson, the only British-owned television maker.

Thorn EMI Ferguson already has licensing arrangements with assembly operations around the world, notably in Ireland, where it supplies finished sets, to Italy, Portugal, Indonesia, Sri Lanka, China, Zambia, Greece, and Hong Kong. The group is now in the early stages of negotiating a similar deal in India.

Initially, Thorn EMI Ferguson will supply all the components required for the assembly of its TX colour set range, although it is expected that that once satisfactory local supplies are found components will be obtained from them.

Star Electronik has signed an exclusive deal for Turkey and non-exclusive distribution rights in certain Middle East countries. The mooted agreement to manufacture and market video cassette recorders for the Turkish market is still under negotiatioo, however, as are the proposals to sign an exclusive licensing deal in Egypt. No indication has been given about the timing of the agreements.

Polly Peck's assembly plant being constructed in Turkey is due for completion by October. Production will start on a single shift basis with an annual capacity of 100,000 sets. A further shift, it is understood would raise output to about 170,000 sets.

Very high profits estimates are suggested for Polly Peck's proposed consumer electronics agreements with Thorn EMI. They are said to be worth as much as £55m a year before tax, although no forecast has been given by either company. It is understood, however, that the retail value of a colour television in Turkey is about £650, whereas the same set would sell at between £250 and £300 in the UK.

More UK news on Page 13

More steel jobs at risk

BY MARK MEREDITH

BRITISH STEEL management has told trade unions at its Tubes Division works in Scotland that 460 jobs will have to go unless orders improve.

The tubes division, which has its headquarters in Corby, Northants, has been hit hard by the fall in orders for drilling pipes from the North Sea. A BSC statement after yesterday's meeting in Scotland said the slump in activity was unlikely to show an improvement until the end of next year.

● Caltex Petroleum, the jointly-owned subsidiary of Texaco and Standard Oil of California, is cutting back its London staff of 150 by about one third, Carla Rapoport writes.

It is the latest in a string of similar moves by multinational companies with offices in London. Esso Petroleum is planning to move out of London altogether in an effort to cut costs, while British Petroleum said at the end of last year that it would be cutting its London workforce by 40 per cent.

Caltex recently moved its world headquarters from New York to Dallas and trimmed its head office staff by more than 10 per cent.

U.S. companies lose computer contract

BY ALAN CANE

AMERICAN OWNED computing services companies have lost a prestigious and sensitive Department of the Environment contract to a tiny, almost unknown British company. The contract involves computer help in calculating the rate (local property tax) support grant formulae.

The award of the rate support grant contract to the Centre for Analysis and Modelling (CAM), a seven-man bureau and software house based in South London with a turnover of £500,000 last year reflects both the regard in which CAM's software is held by the DoE, and Government embarrassment over the fact that the UK's most complicated set of financial calculations was being carried out by foreign-owned companies and on foreign soil.

When the contract was last let, it was won jointly by Geisco, computing services arm of the General Electric Company of the U.S., operator of the world's largest commercial computer network, and by Comshare, the UK subidiary of Comshare of the U.S., a specialist in financial and management information software.

The government was embarrassed by the fact that computing facilities necessary for the complex calculations which underlie the rate support grant were apparently not available in the UK from British-owned companies.

In 1981, computer services needed for the calculations cost only £150,000. By 1982, after new ways of assessing local authority's need for support were instituted, the cost had jumped to close to £1m.

The contract involves both the use of CAM's specialised software for handling large arrays of figures, and time on its U.S.-built DEC "supermini" computer. Mr Gurmukh Singh, CAM managing director, said he believed the contract had been won on a combination of quality and price. The value of the contract would not be known until the work had been completed because it involved unpredictable amounts of computer time.

Engineers critical of job training

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

PROFESSIONAL engineers working in UK industry are "technically competent but immature and underdeveloped in most other respects," according to research published yesterday.

The research draws attention to serious weaknesses in the job performance of engineers and in the way in which their education and training prepares them for their role in industry.

Engineers interviewed in the study were highly critical of the level of their knowledge of the broad business context of engineering, their social and human relations skills and their communication skills. These self-defined weaknesses were also identified in the engineers by work colleagues.

The research, undertaken by Leicester Polytechnic and funded by the Council for National Academic Awards and the Department of Education and Science, examines the effectiveness of engineering education through the eyes of professional engineers and other employees in industry.

It takes up themes contained in the Finniston Committee's inquiry into the engineering profession, and Sir Monty Finniston says in a foreword to the Leicester research that he hopes it will "do something to wear away the stony indifference of the nation to the future of engineering and engineers."

Engineers interviewed during the research strongly supported the view that engineering education should be technically broad and related to practical applications, with 60 per cent of engineers expressing the need for a more practical approach.

"Entering industry had been a rude shock for some, and engineers frequently reflected that they had been unable to appreciate the relevance of material being taught during courses, and that lecturers were often unable to relate it to the world of industry," the report says.

Many engineers "lamented the fact that they had entered their first jobs knowing almost nothing about industry or commerce." Even after some years at work, many engineers lacked confidence in these areas, although 71 per cent claimed to need commercial, financial or marketing knowledge in their jobs.

There is some evidence, the report says, that engineers' poor non-technical skills and weak performance in non-technical areas has led to their partial exclusion from their employer's decision-making processes. This led to engineers being allocated specific tasks rather than participating in broad discussions about goals.

Goals of Engineering Education: Engineers – Servants or Saviours? Available from Leicester Polytechnic.

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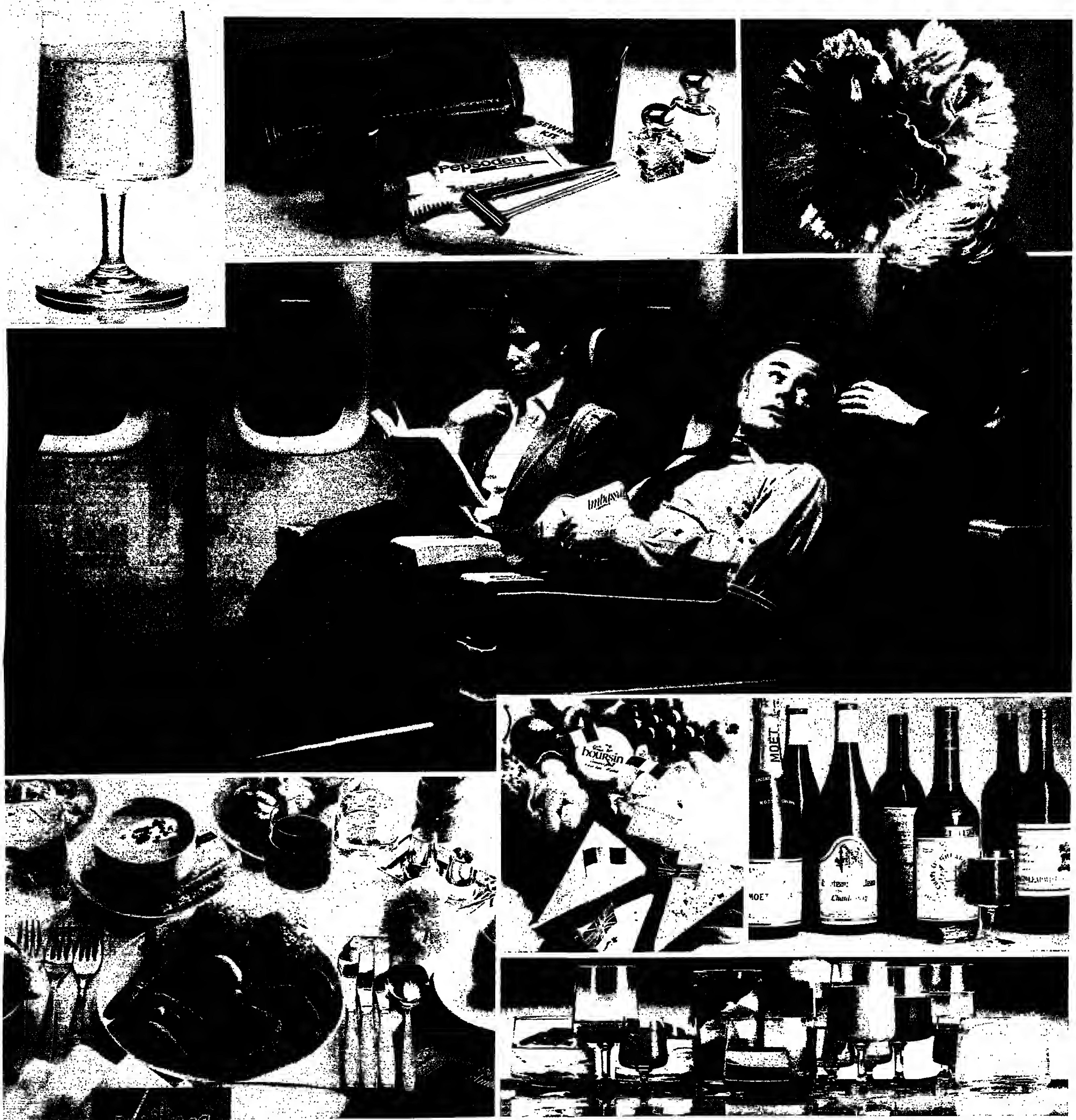

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TECHNOLOGY

EDITED BY ALAN CANE

TINY COMPUTER SERVICES COMPANY WINS ROLE IN ANNUAL 'DRAMA'

Specialist look at rate support grant

BY ALAN CANE

A TINY computer services company a stage-whisper away from the Old Vic in South London has been given the leading role in the Government's most mathematical annual drama—calculation of the rate support grant formulae.

The award of the contact for computing services to aid in calculating "Local Authority Statistics and the Rate Support Grant" to the Centre for Analysis end Modelling is singular recognition for one of the UK's least known but most highly regarded specialist computer companies.

It ahould also still disquiet inside and *outside* Parliament over the way the Government gets computer help to solve its most complicated sets of financial *calculations*.

The rate support grant computing cootract is let by public tender; three years ago it was awarded jointly to two U.S.-based companies, Gelsco, a subsidiary of the General Electric Company of the U.S. which processes data in tbe U.S. end in Holland and which operates the world's biggeat commercial computer network, and Comshare, an innovetive bureau specialising in finance and processing in the U.S. and London.

The disquiet centred on the fact that the computer power—and in particular the very specialised computer software—the Department of the Environment needed for the block grant calculations was anparently not available in the UK.

There was also anxiety about the costs incurred. In 1980, rate support grant calculations based on comparatively simple mathematical treatments cost £150,000. Since then, the Environment Department initiated a new system where the value of the block grant for each council is decided by calculating the "need to spend" from a large number of relevant factors, each individually weighed and balanced.

As a system, it has not proved en outstanding success. Last year the Prime Minister had to insist on £25m extre for London to save Tory councils from politically embarassing rate rises. And the cost of the massive calculations which were involved proved substantial—estimates suggest the 1982 figure was of the order of £1m.

So, there should be little surprise that the contract has gone to a British-owned bureau—but for such an important contract to have gone to such a small company indicates that *CAM* is no *ordinary software* house.

It was formed in 1971 and turned over about £500,000 last year. *Its clients in the public* sector include the City of Westminster, the London Borough of Lambeth and the Sports Council. Private sector clients include Marks and Spencer and Abbey Life.

CAM had already carried out large propects for the Department of the Environment—it analysed, for example, the National Dwelling and Housing Survey involving some one million addresses.

And it stores e number of unique databases on its computer files including the postal address file (23m addresses, 1.5m postcodes) the National Travel Survey and Local Authorities Expenditure Deta.

Against that background CAM's victory was less surprising: "*I tend not to tender* for contracts I do not believe I can win," says Mr Gurmukh Singh, co-founder and managing director of CAM.

His recipe for success is two-fold: quality of people: "I employ only the best — and I pay the best" and quality of software: "We do not do magic — we simply do what other people do, very mnch better."

Gurmukh Singh: I tend not to tender for contracts; I do not believe I can win

CAM, in fact, is in the business of decision support—supplying the means to extract useful information from very large masses of data from which better decisions can be made.

Its databases tend to be social, economic and geographic in nature. It has, however, set up a *new company*, Pinpoint, which is aimed at the commercial sector rather than local and central government.

Its special software is aimed at grid referencing, postcoding, tabulations, graphics and network analysis.

It means that the company can carry out social and economic analyses of an *unusually powerful nature*. It can, for example, suggest where a store chain should site its retail outlets for maximum return.

Its contract with the City of Westminster involved the analysis of the entire sewer network using old maps and modern records to give the best possible picture and filling in the gaps using modelling techniques.

Its superfast search software enables it to identify any postcode in the UK, given an eddress — it even corrects the apelling *of street names* and houses — in less than a aecond.

Whet use it that? Given there are 23m addresses and 1.5m postcodes, a single postcode locates an address in e street—in fact on average to one of 15 households.

Businesmen can save money using postcodes in two ways. First, the Post Office offers substantial *rebates for mail* presorted by postcode — for 1m letters, the saving can be £37,500.

Secondly, the use of postcodes can bring greater efficiency in credit control, sales force organisation marketing information and research and management information systems.

According to CAM: "We have UK administrative areas digitised down to ward level... computer maps can readily be generated for the UK or any area thereof to any defined scale."

It is the essential background for social engineering. Gurmukh Singh is e social engineer in his own right, specialising in job creation schemes. Robin Lane Fox, the Financial Times' gardening correspondent wrote approvingly last week (March 9) of the Camden Garden Centre, initiated by Singh with the backing of the Wellcome *Trust*.

Councils may be no happier with the political basis for their rate support grant in the next three years than in the past but at least they should have no qualms that the sums have been carried out correctly.

EXCHANGE AND INFORMATION

Common standards for communication

BY ELAINE WILLIAMS

THE GOVERNMENT wants to encourage the growth of information technology in the UK by setting common standards for tha way in which computers communicate with each other.

In advance of existing international initiatives on industry standards, Mr John Butcher, Under Secretary at the Department of Industry, yesterday announced measures to speed up the introduction of the so-called Open Systems Interconnection.

Open systems interconnection is a set of atandards designed to allow the computer systems to exchange information regardless of manufacturer or its geographical *location*.

The government bas proposed interim measures called the Intercept strategy, which is aimed at eoabling UK suppliers and users to introduce Open Systems Interconnection without waiting for the full process of international standardisation to be completed.

However the Government is confident that these proposals will meet the international standards when they are finally agreed. Work on Open Systems Interconnection has been underway since 1977. Tha problem of setting standards is immense as it not only involves computers but *also all the equipment* which have to be connected to it. This includes taking into account the different uses of computers and related equipment such as in electronic mail, banking systems, facsimile, and *all forms of communications*.

For years computer manufacturers have deliberately avoided setting common standards because they did not see much benefit in allowing competitors easy access to their market share. Also the industry in the 1960s and 1970s was growing so rapidly that companies tended to ignore systems outside their own design.

Now it is recognised by the majority that the growth of the markets in business applications *such as information* technology will be easier if products can be connected to other types of equipment.

The DoI initiative on standards comes from a recommendation by the DoI Focus committee, set up in 1981 and chaired by Mr Butcher. Manufacturers such as ICL and GEC, major users, research organisations and standard setting bodies such as the British Standards Institution are represented on the Focus committee.

The intercept strategy will lay down recommendations for standards in those areas of the technology where the International Standards Oragnisation—responsible for world standards — is close to a final *standard*.

The DoI bopes that the first documents on intercept recommendations will be available by the *middle of the year*. It points out that financial support can be provided through the department's Support for Innovation scheme under which grants may be given to companies to assist in the development *of new products* and process employ one or more intercept recommendations.

The *Focus* bas also backed the *idea of testing products* independently to ensure thet they conform to the recommended standards. This is to ensure that users can have confidence about the equipment they buy and the ability to communicate with competitors' products. The DoI says that a number of testing schemes are currently in the final stages of completion and these are likely to be announced shortly.

VIDEO AND FILM BY JOHN CHITTOCK

How we do things very well

AS BRITAIN'S manufacturing base has sbrunk, greeter emphasis has moved to the fewer things we do particularly well — and, increasingly, Britain's reputation abroad depends npon these activities. The one in which we excel perhaps best of all is also the one *which has* the highest profile — film and television production.

The contribution of moving pictures to Britain's overseas reputation is no mere "cultural icon." It can be quantified — *such* as the claim by Yorkshire and Humberside Tourist Board that overseas showings of the James Herriot TV series (*All Creatures Great and Small*) bas boosted local tourism by £5m.

There are countless accidental *benefits such as this* which the film and TV industries bring to Britain. Some producers and industry ectivists feel that leaving *it* to accident *is* not good enough. One consequence of such concern has been the creation of a new film, TV and video advisory committee to the British Council, chaired by Lord Brabourn (*Murder on the Orient Express* fame).

Not that the British Council has been idle. Last year, its 120 overseas offices lent 85,000 copies of films; the Council was also involved in 150 British Film Weeks and entered 270 *films* to international *film* festivals. In spite of sucb impressive statistics, Government resources made available for *this important activity* trail well behind the West Germans and the French.

Traditional

The film work of the British Council has broadened significantly in recent years. It is no longer just art, music and folk dancing—but also science, *industry* and *technology. This* change has come about partly in response to the cut-backs experienced by the Central *Office* of *Information* — which, traditionally, provided the overseas distribution machinery for British Industrial films.

The COI's role has now moved decisively towards television, with for example, regular or substantial broadcast TV use of material in 83 countries (59 of which are achieved under commercial *contracts — viz* the *stations* actually pay for the material).

In this new atrategy, paying is important. The free hand-oot *television film* from the *British* government may be regarded with suspicion; the material has to be good enough for broadcasters to want it.

Video is also changing the strategy. More than 160 of tha 170 information posts ere now equipped with video recorders. These are osed to screen British material to small, selected groups of local businessmen, politicians and other VIP's — and are elso available for visiting British businessmen to use in making local presentations (for which our man on the spot will even obtain an audience).

To encourage businessmen to use these facilities, overseas correspondence with UK companies is now carrying a green sticker saying: "This post is equipped with VOR."

Such activities are aimed with precision, where the audience is probably very small and hand-picked. It gives rise to ideas such es the COI's video "catalogue" of agricultural equipment — a videocassette compiled from slides, clips of film, and videotape, submitted by British manufacturers and available at eppropriate information posts overseas.

The British Tourist Authority is trying out a similar idea with larger chains of overseas travel agents. Videocassettes can be compiled from *clips of* specified holiday areas requested by the agent — so that a video stock shot library is available.

The BTA has also moved heavily into television. At one time, the authority's films were made primarily on 35mm film for world-wide cinema release — but now the target is television, especially ancouraged in North America by the eppetite of cable TV. Last year's total audience for BTA programmes was 100m, and rising.

Yet film is by no means dead in these controlled exercises to promote the British image. Some countries still rely on the sprocketed medium, and the assembled film eudience may be still the only way of reaching some groups.

Perhaps, the most interesting example of *this is* the weekly film screenings which the British Council holds in Moscow — with 80 to 100 Soviets entering British soil for e couple of hours every week to see the best of our feature films and documentaries.

Some countries, such as India, still have an insatiable appetite for cinema-going and in Bombay alone the British Council maintains a library of 3,000 film prints. The political value of such activity can be also unexpected—such as a recent Indian tour of BBC documentary films on Indian themes, mounted because there hed been local accusations that the BBC's treatment of India was hostile.

Television emerges in such situations as the most potent medium of all. The COI, for example, has distributed video copies of three programmes *ebout the Soviet invasion of* Afghanistan — aimed, particularly, at Muslim eudiences.

One of these has been so successful that it has been screened en television in 30 countries.

The process also works in reverse. The COI now records BBC and ITV current affairs programmes (with permission from the broadcasters) so that overseas information posts can receive video-cassette up-dates on the industrial and political scene in UK.

There are, however, anxieties. The pressure on budgets which pay for these services is unrelenting—and the cultural side of the film production industry desperately needs an economic boost when Mr Iain Sproat's current review of the film industry is published.

Perhaps, Mr Sproat will see the point—he is a minister *at* the Department of Trade, and also responsible for tourism.

كاظم الحاج

Cheaper home loans lead to some signs of an upturn

By Anthony Moreton, Textiles Correspondent

JUST BEFORE Christmas all the noises coming from the carpet industry were of doom and gloom. Today, there is e feeling that e slight recovery might be on the way.

The reports are guarded and heavily qualified. But after two years of severe depression, which have eeen the closure of some of the more famous names in the business and others making horrible losses, it is almost a surprise to bear even a qualified note of optimism.

Mr William Trow, executive deputy chairman of Carpets International, the Kidderminster-based largest company in the industry, says there is "some evidence of an upturn. I would hesitate ebout saying there is a recovery on the way, but things do look somewhat hrighter."

That cautious view is echoed by Mr Topham Brinton, chairman of Brintons, also of Kidderminster, the largest privately-owned company. "Most people hed a reasonable fourth quarter last year and there is a slight npturn."

If there is, it has largely escaped notice in Barnsley where Mr James Hartley, chairman of Shaw Carpets, the largest producer of tufted carpets, says he can see "no signs of a pick-up in demand from last year, though if the devaluatien of sterling helps to cboke off some of the Belgian imports then there could be a switch te huying home products."

Two factors have caused the ripple of optimism, the cut in tbe mortgage rate, which bas left more money in people's pockets, and Heimtextil, the international carpet fair at Frankfurt beld earlier this year.

The evidence from the stands at Heimtextil was that the 1963 show was the most successful for five years. Buyers from the Middle East, an important market for exporters, were there in strength and the general level of inquiries was higher than expected.

The backlash from the fall in new housebuilding

If the optimism turns out to be well-founded, it will be greeted with enormous relief in the industry, which has taken a severe buffeting. Some of the most famous names, such as Allied Weavers and Homfray, have closed while BMK in Scotland was rescued only at the last minute with the assistance of the Scottish Development Agency, a move that led to accusations of subsidy.

For those who remain the the problem is profitabillty. Carpets International, whose hrand names include Crossley, Kosset and Gilt Edge, has run up losses of £15m over the past three years and has had to be baled out by an American affiliate which could, as a result, gain control of the group in five years. Shaw Carpets went through a very rough patch last year which led to a loss of £2.26m, though it eppears to have righted this in the first balf of the current year. Stoddard, another hig name, also made a £2.25m loss last year on e turnover of £35m.

The main reason for the losses has been the fall in house hullding, the reluctance of people to move house quite so frequently and the fall in real disposahle income.

The decision to huy a carpet is one that can be easily postponed unlike, say, the need to repair e car. When people move house there is a greater disposition to buy a new carpet than at any other time. The carpet industry has felt the backlash from the fall in the number of new houses heing built.

There have been other factors: changing spending patterns, which led to greater outlays on consumer durables such as video recorders; and as incomes fell buyers tended to look on a carpet as e long-term buy.

As e result, sales of carpets dropped from 177.2m sq metres in 1977 to 138.1m sq metres in 1981. Figures for 1982 are not yet complete but on the evidence of the first nine months of the year it would appear that sales will come somewbere near 125m sq metres.

The worst of that fall has been felt by the woven sector of the industry, which is concentrated in Kidderminster. Production bas dropped by over 23m sq metres — or half — since 1975 alone to ahout 20m sq metres last year, accentuating a trend thet began in the late 1950s when tufteds arrived on the scene from the U.S.

Tufteds, which largely rely on nylon as a raw material, now account for over 70 per cent of the total market and in the domestic sector the figure is prohably over 90 per cent. Woven carpets, relying heavily on wool, have some 20 to 25 per cent and are concentrated in the contract sector. Rugs and needleloom carpets account for the rest.

Woven carpets have been holding their own in the contract market — hotels, restaurants, offices—because of their hard-wearing properties where price is not such a decisive factor as among bome-buyers where only the better-off are staying with the traditional Axminsters and Wiltons.

But even in the contract sector wovens are facing growing competition from carpet tiles, a market dominated by the Dutch concern Heuga, which introduced them in 1966. Heuga, according to its chief executive, Mr Robyn Grant, is "70 per cent in the contract side with Britain the company's best market. The contract side has suffered less than the domestic, which will belp us."

Because the domestic buyer prefers tufted carpets, there has been e very rapid build-up of imports in the last three or four years.

A YEAR OF THREADBARE RESULTS

	Year	Sales £m	Pre-tax profit/(loss) £	Latest half-year sales		Profit/(loss) £
Carpets International	1981	117.02	(2.39m)	54.4m	7/82	(2.98m)
Brintons	1981	46.8	1.87m	n.a.		
Stoddard	1981/82	34.99	(2.25m)	15.04m	9/82	(1.02m)
Shaw Carpets	1981/82	33.45	(2.26m)	18.47m	10/82	142,000
*Donaghadee Carpets**	1981	29.0	n.a.	n.a.		
Heuga (UK)†	1982	22.50	n.a.	n.a.		
Abingdon Carpets	1981	14.89	446,000	n.a.		
Tomkinson Carpets	1981/82	13.43	660,000	n.a.		
Hugh Mackay	1981	9.58	444,000	4.51m	6/82	(69,000)

n.a.: not available

* Donaghadee Carpets is part of Carrington Viyella; † Heuga is the UK arm of the Dutch group and figures relate to UK sales only. Other major manufacturers' figures are absorbed into parent groups. Lancaster Carpets is part of Nottingham Manufrg.; Firth Carpets is part of Readicut International; New Venture is part of Beaulieu; BMK is privately owned.

In 1980 the great threat came from America. U.S. carpet companies, based in the cheap-labour Southern states and alded by a sterling exchange rate that at one time toucbed $2.40, were eble to flood Britain with the ends of their long productien runs at very cbeap prices.

When the dollar strengthened American carpets ceased to he an important factor in Britain but since then the Belgians, and one company in particular, Beaulieu, have posed an equally severe threat.

The Belgians have always been an important carpet-producing country, with Britain among their main markets. But they became e serious threat only three years ago.

Even allowing for a weak Belgian franc, no-one in the British industry can work out how the Belgians can produce as cheaply as they do, given thet their waga rates are among the highest in Europe. They certainly get cheap supplies of yarn, whereas there is no UK production of hulk continuous fibre since the closure of British Enkalon.

Beaulieu has an astute management policy of buying every availahle piece of cheap second-hand machinery it can and working it to death. The company is split into some 30 opereting companies, which prevents outsiders tracing its cost structure with any degree of accuracy.

Recently Beaulieu has entered Britain in a different way by taking over Cairds, of Scotland, and New Venture in Newport. The former has been closed but the latter is a very successful operation and Beaulieu has been able to undercut almost every other British tufted manufacturer.

This has led to mutterings of subsidies, though no one can prove anything and the Belgians are evasive when approached.

Since 1977 imports have riseo from about 12m sq metres to just under 40m sq metres last year.

Faced with this massive attack on the home market British manufacturers have had to retrench severely. Carpets International has cut its workforce from 6,071 in 1979 to 3,200 with a further 350 jobs to go this year.

Brintons has brought its numhers hack from a peak of 2,600 four years ago to 1,800 now and Shaw had a severe rationalisation programme last year which cut the workforce to 480 from a peak of 1,350 in 1973. BMK has heen kept going hut with drastically reduced numbers. In all, the industry has slimmed from a peak of 40,000 a decade ago to ahout 18,000 now.

Not all those cuthacks have come as the result of outside pressures. Sometimes they have heen the consequence of new investment. Most of the leading concerns have put in new machinery which has been more economical in labour terms. Shaw has spent £4m on the most advanced Millitron plant, under licence from the ionovative American company Millican, whicb allows for changes in design and colours while the carpet is actually running through the machinery.

Mr Topham Brinton, too, is proud of his new machinery and Mr Trow claims his company has the most advanced Axminster looms in the country.

Despite the capital spending there remain question marks over some companies. The biggest probably hovers over Carpets International itself, whose turnover of £117m last year was just over a quarter of the industry's £450m.

CI has just signed an agreement with an American affiliate, Interface Flooring Systems, under which the U.S. concero is putting up a £2.5m five-yeor convertible loan which will give it 41.3 per cent of the increased capital. It also has a further casb option on shares worth £1.4m which wilt take its holding to 51 per cent.

New investment is more economical in labour terms

The salient point of this deal is that the money is going not into investment hut into restructuring costs—that is, redundancy payments. "We have done an enormous amount to reduce overheads," Mr Trow says, "but we bave not brought them down in proportion to our output. So e large part of our redundancies will be in the non-production areas. The loan mooey is to go specifically towards restructuriog costs."

It is doubtful if, even now, the industry has reached its optimum aize and so further closures seem inevitahle though Mr Anthony Roden, director of the British Carpet Manufacturers' Association, belleves that these will he confined to smaller concerns. "The industry is bumping along the bottom of the recession, hut I don't see it falliog much further now."

He is supported hy Mr Bob Read, the IWS's carpet product manager, who sees the industry "continuing to be under severe pressure, with demand flat. There will be a struggle for at least another year but at least it is not now suicidal. Many compaoies have put their house in order and are reacting positively to demand."

The thing about the carpet industry is thet it is so easy to make awful puns around it. Its prospects are threadhare, the possibility of making a pile without belng trodden on is frequently discussed and, at worst, you can always sweep the dirt under the carpet.

No-one is laughing at these tired clicbes in Kidderminster or Yorkshire now, though. The industry is in deep trouhle and more concerned with red figures than fun phrases.

CONTRACTS

£4.5m for cable

BICC SUPERTENSION CABLES has received an order from the Central Electricity Generating Board for the design, manufacture, testing and installation of oil filled cahle at the Sellindge converter station. The existing doohle circuit overhead transmission line will be turned into Sellindge and connected to the converter plant hy cable. The contract, worth £4.5m, covers the provision of 9,150 metres of 400 kV oil filled cable and associated accessories. Site work will be carried out hy Balfour Kilpatrick, starting next year.

*

A water treatment project tops e list of contracta totalling £3.4m awarded to JOHN LAING CONSTRUCTION in the north of England. For the Northumbrian Water Authority, the £1.2m project at Lartington, near Barnard Castle, Co. Durham, is due for completion within 28 months. Other work includes a Bejam freezer food centre in Frodsham Street, Chester, under a £641,977 contract. In Cheadle, pre-painting repairs are under way on 105 homes where window frames, sashes, timber doors and frames are belng renewed alongside canopy and fascia refurbishment. Under a £299,414 contract for Rochdale Metropolitan Borough Council ground floor hathrooms, WCs sod stores are to be demolished on the Peel Lane Estate, Heywood, to form larger kitchens. Construction of e bunker at Lynemouth Colliery, Ellington, Northumberland, started earlier this month under a £540,000 contract awarded hy the National Coal Board.

Lastly, a £285,000 commercial developmant in High Street West, Wallsend, Tyne and Wear, has beeo awarded by Lloyds Bank Property Company.

*

Milton Keynes Development Corp has awarded a contract tn the region of £1.5m, for the construction of the 74 detached and semi-detached homes, to JOHN WILLMOTT HOUSING, part of the John Willmott Group.

*

T. P. O'SULLIVAN AND PARTNERS, the Putney-based consulting engineers, have sent e five mon mechanical engineering team to Lesotho in southero Africa to work on a two-year World Bank financed technical assistance project, for the Plant and Vehicle Pool Services of the Ministry of Works. The contract, worth over £400,000, is part of the Third Highway Project, designed to improve the road network of Lesotho and the maintenance capability of the roads branch of the Ministry of Works.

*

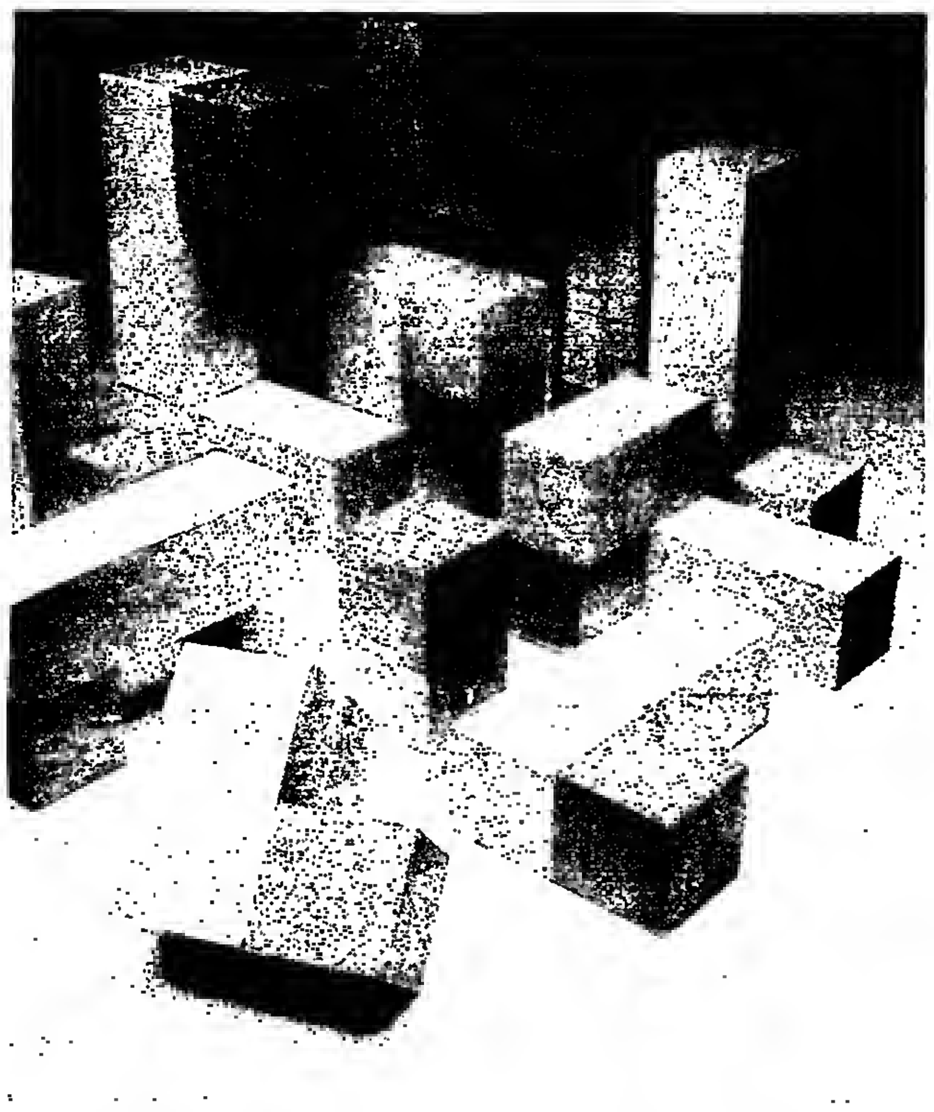
A new UK airline, Birmingham Executive Airways, has placed a £3m order with BRITISH AEROSPACE Scottish division for two Jetstream 31 aircraft for delivery in late April and May 1983, with an option on a third aircraft for delivery in March 1984. Each aircraft can carry up to 18 passengers and will have full hot galley facilities with space for carry-on baggage. The new airline has been formed to provide inter-European air services for the Birmingham and West Midlands industrial and commercial conurbatioo.

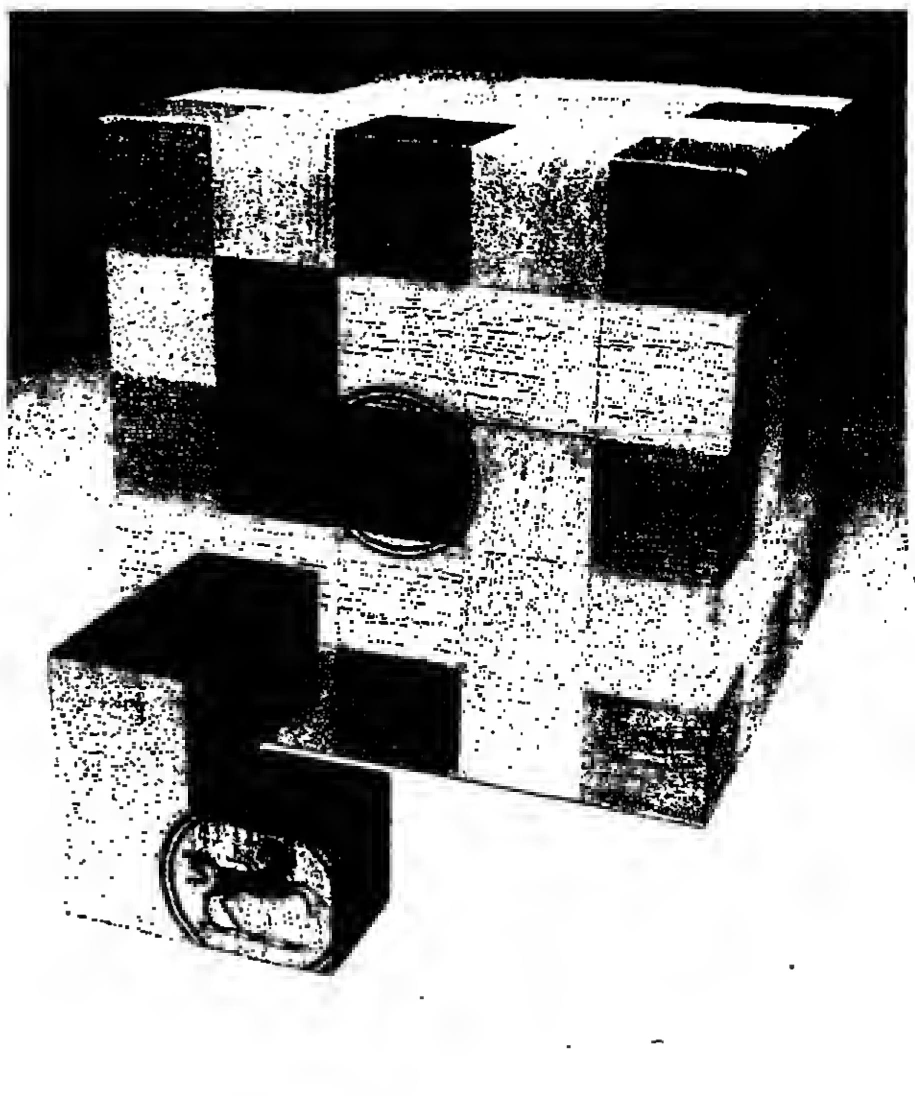
*

ANDERSON STRATHCLYDE, the Scottish-hased mining mechioery manufacturer, has won an order worth £2.25m to supply China with longwall mining equipmant. Delivery will take place within the next six months. Most of the equipment will be used hy the Datong Mines in Shanxi Province where the coal is extremely hard.

*

Two Portals Group companies have won contracts worth £2.2m for filtration plant for the North Sea. ETA PROCESS AND EFFLUENT PLANT, Rugetey, in conjection with Norwegian-based Norsk Hydro Process Equipment, has gained a contract worth around £1.5m to suppty a deaeration system for the Gullfaks "A" water injection system. The unit supplied by Eta will measure 20 metres high and have a capactty of 2,540 cu metres/hr, making it the targest single deaerator io the North Sea. Incorporatiog Eta design features, the deaerator will be ahle to operate both as a vecuum and gas strip system, giving maximum flexiblity to the platform operator. Process and mechanical design, together with key interoals aod mwer packiogs will be supplied hy Eta, the vessel fabrication will be undertaken by Norsk Hydro et Notodden.





The unique flavour of Indonesia's million-dollar cigarette industry

By Richard Cowper in Jakarta

SOME OF the world's and Indonesia's, richest Chinese entrepreneurs bave a remarkable facility for accumulating enormous wealth almost unnoticed by the world at large. But once in a while the veil slips.

Such was the case in the small and normally unpretentious east Javanese town of Kediri recently when a little known businessman called Surya Wonowidjojo presided over the marriage of his second son.

The wedding was spectacular. A special building was constructed, virtually all the major botels in nearby Surabaya—Indonesia's second largest city were fully booked, and the family's two helicopters were in constant use. In true Hollywood style almost 6,000 guests, including two Indonesian cabinet ministers, top Indonesian stars, and friends of the family (flown in from all over the world) gazed open-mouthed as the bride walked to the dais through a smoking haze created by dry ice.

Kretek provides the country's most characteristic smell

Outside, the denizens of Kediri paid homage to their richest citizen—a man who in tha last decade has transformed the beart of an ancient Javanese kingdom into the new centre of one of Indonesia's most unique and fastest growing industries: kretek cigarettes.

A mixture of tobacco and cloves, kretek cigarettes are made nowhere else in the world and with their pungent spicy aroma any visitor to Indonesia will tell you that kretek provides the country with its most characteristic smell.

Despite the growth of western tastes and products as Indonesia bas moved to modernise its economy, kretek cigarettes have become more rather than less popular. Ten years ago almost one out of every two cigarettes sold in Indonesia was a so-called "white" cigarette (containing just tobacco) but today almost seven out of every 10 are kretek.

The man who has perhaps been most responsible for the phenomenal growth of this multi-million dollar industry, and now its undisputed king, is Surya Wonowidjojo. A 58-year-old south China born immigrant whose real name is Tjoa Yien Hwie. He started his company—Gudang Garam—in Kediri just over two decades ago. Today he is owner of the country's single largest cigarette factory which this year is expected to account for around 40 per cent of Indonesia's total kretek market.

Obtaining detailed and accurate financial information about Indonesian companies is often extremely difficult. According to industry experts, bowever, last year Gudang Garam produced around 2bn cigarettes bringing the company a turnover of at least US$700m and yielding a minimum after tax profit of U.S.$80m.

These figures are probably conservative. Confidential estimates by some of Gudang Garam competitors range much higher. One figure that is a matter of public knowledge is that in 1981 Gudang Garam paid excise duty to the Government of rupiahs 183.4bn (around U.S.$285m). Just how much the company paid in corporation tax is unknown. Company officials at Gudang Garam do agree bowever that it may not be long before tbe company is turning over more than U.S.$1bn a year.

Mr Surya works hard to maintain a low profile

The atory of Gudang Garam's success is a classic case of how ooe man turned a basically cottage style operation in a developing country into a modern manufacturing industry. In 1949 Surya started a small kretek factory with his uncle at Kediri at a time wben all kreteks were rolled by hand and the majority wrapped in leaves rather than paper. Finding it difficult to get along with his uncle he started up on his own in 1958 with one unit employing fewer than 50 people.

Ten years of steady but unremarkable growth led him to undertake a major change in his brand image, redesigning his cigarette packets and adopting a more modarn and aggressive marketing strategy.

Between 1969 and 1979 Surya built five new factory units in Kediri, set up a nationwide distribution system and output grew to 9.5bn cigarettes a year. The company's biggest expansion, bowever, has taken place since 1980 when it started to manufacture machine-made Kretek cigarettes. In the space of just two years output more than doubled to 21bn and today Mr Snrya's Gudang Garam operates a fleet of more than 300 lorries, employs over 35,000 people and is by far Indonesia's most popular brand.

The proud father of eight children (the two eldest men help run the family business), owner of at least five personal homes and two helicopters, there is little donbt that Mr Surya is now a multi-millionaire, and one of Indonesia's richest husinessmen. Despite his personal riches and a reputstion as ona of the country's biggest taxpayers, he works hard to maintain as low a profila as possible. His public appearances in Jakarta are kept to a minimum and his name almost never appears in tha national press.

In Kediri itself, however, Surya Wonowidjojo—like a 19th century British textila baron—reigns supreme. Mr Surya's last serious kretek competitor in the town went bust as long ago as 1965.

He provides most employment for the town's 90,000 peopla, he has built schools, mosques, roads and most recently a swimming pool. Wedding aside, all this is done in the least flamboyant way possible.

In a country where economically successful Chinese are often hitterly resented hy the local Indonesian population (there have been at least three anti-Chinese riots in the last two years) this policy has done much to ensure bis acceptance in the local community, win him valuable friends in Jakarta and belped him to avoid public criticism at the national level.

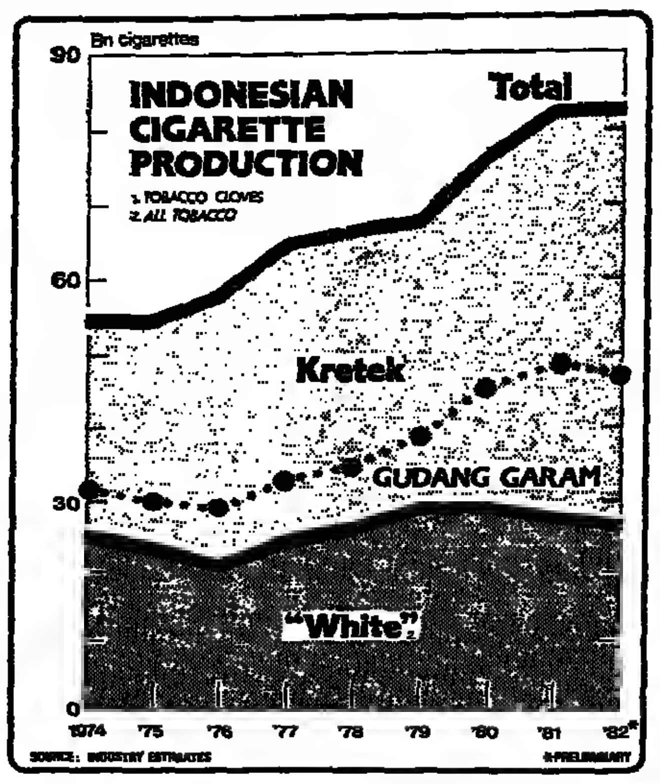
With tha apparent hlessing of the Government, Gudang Garam is now planning an even more rapid expansion over the next few years. According to company officials, 12 new machines are on order capable of boosting capacity to more than 45bn cigarettes a year.

To bouse this new expansion the company has bought enough land to increase its existing factory sita by 50 per cent. Four more buildings are to be erected. The new machinery, much of which is being bought from Britain, is likely to cost in the region of £20m. Total new investment is unofficially estimated at well over US$150m.

This expansion could well prove controversial. Conscious of the need to find more than 2m new jobs every year the Indonesian Government has ruled that kretek manufacturers are obliged to prodnce two out of every three cigarettes by band. Gudang Garam openly admits that this ruling is already being hroken and company officials say that it will not be long before more cigarettes are being made by machine than hy hand.

Some of these new machines, however, will be used in take the company into the "white" cigarette market, where Gudang Garam now appears to be planning to challenge British American Tobacco's Indonesian subsidiary on its home ground. BAT, which bas already been losing market share to Gudang Garam's aggressive kretek sales drive, produced 11bn cigarettes last year and is still the country's largest producer of ordinary cigarettes.

The stakes are big. This year the industry estimates that Indonesians will cough up approximately U.S.$3bn to smoke around 83bn cigarettes making the Industry one of the country'a largest both in terms of profit and turnover. In the last decade or so Gudang Garam bas forced many of Indonesia's small kretek producers into liquidation. Now the industry is watching with bated breath as tha Chinese-born "King of Kretek" takes on one of the world's tobacco giants.



Brana Radovic


The Gudang Garam factory in Kediri, Java; and Mr Surya Wonowidjojo, its millionaire owner

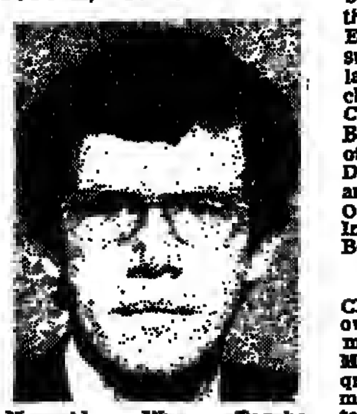
APPOINTMENTS

Candecca Resources names new chairman

Mr Geoffrey C. Butcher has joined the board of CANDECCA RESOURCES and has been appointed chairman. He was for 32 years witb British Petroleum in various capacities. Before be retired in 1979 ba was a director of BP Trading and chairman of the executive committee. He is a non-executive director of Burmah Oil.

*

Mr Alan Wren has been appointed managing director of TOUCHE, REMNANT UNIT TRUST MANAGEMENT. He was previously a director of Gartmore Fund Managers.



Mr Alan Wren, Touche Remnant Unit Trust managing director

*

GRESHAM POWERDYNE, UK marketing subsidiary of Gresham Powerdyne International, has appointed Mr David Hughes as managing director. He joined the company on its formation in January from Coutant Electronics, where he was director of sales and marketing.

*

Mr Peter N. Sillars has been appointed director and general manager of GEEST INDUSTRIAL GROUP which embraces Pettit agricultural machinery, Geest materials handling, Geest Overseas Mechanisation and Post Store mail order businesses. He succeeds Mr Peter Lambert who is leaving the Geest organisation.

*

LOWMAN ENGINEERING, Tiverton, has appointed Mr Peter J. Wright as managing director of subsidiary company Twose of Tiverton in succession to Mr Hermon Granger, who retired last autumn. Mr Wright joined the Lowman Group in September 1981 as group marketing director, a position be retains.

*

Mr E. R. Allen, Mr C. A. Frettsome and Mr J. R. F. Raw become directors of FRENCH KIER HOLDINGS from March 28. Mr Allen will continue as managing director of Kier International, and Mr Frettsome will continue as managing director of French Kier Construction. Mr Raw will remain a director of French Kier Construction and in addition will become responsible for the new business development of the group. Mr C. R. M. Livingston and Mr T. J. Wignall, both of whom are over 60, has each indicated that be will not seek re-election as a director at the next annual meeting.

*

Mr William Mackworth-Young bas been appointed chairman of the COMMITTEE ON INVISIBLE EXPORTS from April 1 in succession to Sir Francis Sandilands. Mr Mackworth-Young is chairman of Morgan Grenfell and Co., and a director of Lloyds Bank, Union Discount Company of London, Willis Faber and Dumas, Charter Consolidated and London and Scottish Marine Oil. He is also chairman of the Industrial Development Advisory Board.

*

The board of GREYCOAT CITY OFFICES states that at his own request and with the agreement of his fellow directors, Mr Stuart Lipton will be relinqnishing his post as joint managing director to enable him to devote more time to his personal interests. He will remain on the board as a non-executive director and will act as a consultant in relation to the company's developments in 1180 Avenue of the Americas, New York, and Finsbury Avenue, EC2. He bas no present intention of selling his shareholding in the company.

*

Mr Denis Kellaway has been appointed controller, procedure and legal division, of the DEPARTMENT FOR NATIONAL SAVINGS, following the retirement of Mr Albert Hirst.

*

Mr Chris Milne, retail trade manager for Whitbread, Leeds, has been appointed managing director of WHITBREAD FLOWERS, Gloucester.

*

SPECMAT has appointed Mr Donald J. Willats as general manager. He was managing director of Courtaulds, carbon fibres division.

*

Mr R. A. P. Banks has been appointed managing director of J. W. E. BANKS & SONS, Peterborough, UK concessionaires for Koni dampers.

*

The VITREOUS ENAMEL DEVELOPMENT COUNCIL bas appointed Mr Brian T. Garland, as its director in succession to Commander G. Clarke, wbo retires at tbe end of March. Mr Garland joins the VEDC after 22 years experience in public relations—including 11 years as a senior executive with ICI.

UK NEWS

Stewards urge Ford strikers to stay out

Financial Times Reporter

THE 4,500 hourly paid workers on the assembly lines at the Ford car complex at Halewood, on north Merseyside, have been called to a mass meeting in Liverpool this morning to decide whether to continue a week-long unofficial strike which has halted all Escort production.

The management bas given a warning that the decision could affect the future of the Halewood plant.

But senior shop stewards at Halewood are adamant in seeking a firm mandate to continue the stoppage over a disciplinary issue. It involves the sacking last week of a man for an alleged act of vandalism on an unfinished vehicle, and the rejection of his appeal.

The position remains deadlocked and by last night the dispute had cost production of 3,000 Escorts, worth £20m at showroom prices.

The outcome will depend largely on the number of men who turn up for the meeting, and whether enough of them are prepared to vote for a return to work.

On Sunday, fewer than 1,000 of the 4,000 men laid off because of a strike turned up at a mass meeting. They voted to take further industrial action once the strike was called off if the management goes ahead with proposed changes in working practices.

Management has indicated some of the changes could be introduced as early as eight days after the present strike ends. Others changes are still going through the negotiating process.

Senior management at Halewood was yesterday assessing the implications of the fresh strike threat, but were not prepared to comment.

● Car production at the Austin Rover factory at Cowley, Oxford, was getting back to normal yesterday for the first time in a week, after workers at the body plant reaffirmed acceptance of a formula on work performance standards.

BL's truck arm 'must cut costs to survive'

BY JOHN GRIFFITHS

LEYLAND Vehicles, BL's truck and bus making arm, will have to carry out "further massive cost reductions if it is to survive," according to Professor Krish Bhaskar in a study of the future of the UK and European motor industry.

In spite of the rationalisation of production and jobs cuts made by Leyland over the past few years, "the cost base is too high, the size of the business too big, fixed costs too great and the business too complex", Prof Bhaskar says.

Prof Bhaskar is professor of accounting and finance at the University of East Anglia. His computer models of the industry are used to a considerable extent by the industry in planning marketing strategies.

In his assessment of the European commercial vehicles sector, he concludes: "Leyland's only choice is to attempt to become a major manufacturer or give up. But to establish itself as a major commercial vehicle producer the group will require subsidies for another three to four years."

Leyland is so far behind producers such as Daimler-Benz, Iveco, Ford or General Motors that its chances of establishing itself as a viable manufacturer "are not good". Nevertheless, it was possible that "given time and some help under the BL umbrella, Leyland may survive and return to profitability".

He expects Leyland to show a 1982 loss before tax and interest of £9.5m – much reduced from the £73m of 1981 – when the BL accounts are published in the next few weeks, but rising again to £12.3m this year. Thereafter, he predicts a return to marginal profits before the next expected downturn in the commercial vehicles market in the late 1980s.

He pinpoints the erosion of Leyland's UK market share as being due to tha age of its products in the under-16 tonne sector, but acknowledges that "new products are on the way to rectify this." He sees assembly of a Japanese product in the 2.8-9.5 tonne range as being the most likely route Leyland will take to fill out its range and take up surplus capacity.

The Future of the UK and European Motor Industry. £95. Ronald Sewell and Associates, 1 Queen Square, Bath BA1 2HE.

Norwegian group to take over idle ships

By Andrew Fisher, Shipping Correspondent

TWO CARGO ships, built in Britain and laid up after a charter deal with a Greek ship owner fell through, have been taken over by Jebsens of Norway, which already has a £30m order for two ships on the Clyde.

Jebsens, a major Norwegian shipping concern, said the two 26,350 deadweight ton bulk carriers would be run by its UK company under the British flag with British crews.

The ships, formerly the Lord Byron and Lord Curzon, have been renamed Bolnes and Binsnes. They have been laid up on the Tyne since last year after the collapse of the charter agreements.

Mr Atle Jebsen, chairman of Jebsens, said the company had had "excellent co-operation" with unions on lower crew levels in line with the ships' modern design. "This undoubtedly played a part in making the deal possible."

Jebsens did not give financial details of its deal with state-owned British Shipbuilders, which is also building two 45,000-tonne bulk carriers at Govan on the Clyde for the Norwegian company at £15m each.

Vote on Vauxhall ban

FINANCIAL TIMES REPORTER

MORE THAN 2,000 engineering union workers at the Vauxhall car plant at Ellesmere Port, Cheshire, will today be urged not to lift their ban on the importation of the Spanish built Opel Corsa which is scheduled to be on sale in Britain as the Vauxhall Nova from the end of next month.

Shop stewards will tell their members to keep the ban on until the company guarantees that it will give Vauxhall factories in Ellesmere Port, Luton and Dunstable "major manufacturing investment."

They want the car blocked at the ports and say they have the support of dockers as well as most workers at the Luton and Dunstable factories. Last week nearly 2,000 transport union workers at Ellesmere Port voted to lift the ban in return for guarantees that two-shift working would be introduced next year, and that output of Chevette and Astra cars would be increased from 35 to 38 an hour by Easter.

Leading economists call for reflation to end recession

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE UK should take the lead in a global policy of reflation to pull the world out of the crisis of recession and rising debts, says an article by the Clare group of economists in the Midland Bank Review published yesterday.

The group of 15 distinguished economists closely associated with the Social Democratic Party believes that a major switch away from anti-inflation and monetarist policies is now essential.

This is needed, the authors say, to tackle the unemployment problem in the developed countries as well as to help stimulate the exports of the developing countries without oil. A global stimulus of this kind, together with an increase in aid and trade concessions is essential to help reduce their debt burden, the authors say.

The article is written by Professor Brian Reddaway, former economic adviser to the Treasury and now professor of political economy at Cambridge University, with Mr P.M. Oppenheimer, fellow of Christ Church College, Oxford.

It calls for a major co-operative effort by the developed countries, but it gives a warning: "The current international scene shows a conspicuous lack of global economic statesmanship which could initiate a wide-ranging and determined programme of measures."

There is a double need to reject the "fashionable notion" that governmeats are powerless to raise output and employment and to abandoa the idea that cutting inflation is more important than reducing unemployment, it says.

Although the U.S. and other large countries will be very influential, the authors say: "The UK ought also to be prepared to be a leader – it has the coatinuing advantage of North Sea oil ... and it has had large surpluses on the curreat account of the balance of payments in the past three years."

The article adds: "It is necessary to remove the neurotic ideas about budget deficits and arbitrary monetary targets, which have obfuscated the distinction between fundamental objectives and financial (supposed) cure-alls, and have thereby, inhibited rational policy-making."

In the absence of such measures, the economists believe that revival of the world economy will be almost negligible in 1983. They say: "It is crucial that the case for new policies along the lines sketched in this article should be pressed vigorously, so that the prospects of a significant recovery in 1984 can help w[illegible] getting debt agreements covering a longer period and, perhaps, stimulate business investment."

The Midland Bank Review, Spring 1983, Public Relations Department, Midland Bank, P.O. Box 2, Griffin House, Silver Street Head, Sheffield, S1 3GG.

APPOINTMENTS

Changes at Mercantile House

Mr John Reeve has been appointed finaace director of MERCANTILE HOUSE HOLDINGS from May 1. He was formerly finance director of the British Aluminium Company until its merger with Alcan Aluminium (UK). Mr Andrew Sommerville will aow be working exclusively as company secretary to the Mercantile House Group. Mr Patrick Chrimes has been appointed group financial controller at Mercantile House. He was previously group finance director of Guy Butler (Holdings). Mr Peter J. Bentley has been appointed finance director of M. W. Marshall and Co, money-broking subsidiary of the Mercantile House Group.

★

Sir Archibald Forbes, who was appointed presideat, MIDLAND BANK, in 1975, has retired from that office on reaching the age of 80 years.

★

Mr Mark Barty-King has been appointed managing director of GRANADA PUBLISHING hardcover trade division. He will continue as publishing director to coordinate the editorial direction of the trade and paperback lists. Mr Barty-King joined Granada as editorial director in 1974.

★

As a consequence of the impending retirement to August of Mr Lewis J. M. Hynd, company secretary and director of administration, SCOTTISH TELEVISION bas made the following appointments. Mr Alan Montgomery joins on May 3 as director of finance and administration. He comes from Playtex (UK) where he is deputy director of finance. Mr Don Kinloch continues as financial controller, reporting to Mr Montgomery, and is also appointed company secretary.

From April 1 Mr R. S. Harryman, currently director of personnel at PROCTER AND GAMBLE, becomes director of maaufacturing. He succeeds Mr C. C. J. Forge who is retiring after 39 years' service. Mr R. Cole, currently manager of personnel administration department, becomes manager of personnel and a member of the managemeat committee. He takes over Mr Harrymaa's former responsibilities for persoaael.

★

Mr Brian Ridgway, operations director London, for THISTLE HOTELS has been appointed to the group's main board.

★

At IMPERIAL LIFE ASSURANCE COMPANY OF CANADA, Toronto, Mr Roger Wain, seaior vice-president and geaeral manager for Great Britain, has beea appotoied to the company's maia board. He remains a member of Imperisl Life's GB advisory board. The company is part of the Laurentian Group, Quebec.

★

Mr Trevor Haworth has been appotoied director and general manager of ITT SWITCHES (UK), a member of the ITT Semiconductors and Components Group, Europe. He joins after 10 years with Du Poat (UK).

★

Mr David G. Olley has beea appointed deputy managing director of MANUFACTURERS HANOVER EXPORT FINANCE.

★

Mr R. A. Dommett has been appotoied generai manager of EAST SURREY BUILDING SOCIETY from June 1 when Mr H. Mitchell will retire but remaia oo the board.

★

Mr Tim Street has been appoiated managing director of the new reinsurance division of GRINDLAY BRANDTS INSURANCE BROKERS.

Mr Alasdair Macleod has been appointed tn the boards of CRAIGMOUNT INVESTMENT MANAGEMENT and Craigmount Unit Trust Managers.

★

Viscount Coke is the aew presidant of the Centre of Management In Agriculture, a British Institute of Management special interest groop.

★

From April 5 Mr Charles William Brocklebank resigns as deputy chairman bat remains on the board of SMITH ST. AUBYN (HOLDINGS). Mr John Duncan Mackinnon is appoiated deputy chairman and Mr Ralph Roland Gay Gardner becomes depnty chairman of Smith St. Aabyn & Co.

★

Mr Niels R. Andersen bas joined the board of TBWA, an advertising ageacy, as group financial director. He was previously financial director of Letraset.

★

Mr Don Lovell has become a director of the WINE DEVELOPMENT BOARD. He is a director of Peter Dominic and a psst president of the Wine and Spirit Associstion.

★

BANK JULIUS BAER & CO. has appointed Mr Norman R. Tribble to the Londoa advisory board.

★

WATNEY MANN & TRUMAN BREWERS has appointed Mr Bill Shardlow as personnel and administration director. He succeeds Mr David Tagg. Mr Shardlow is also appointed to the WMTB board. He has joined the group from Mobil Oil Company. Mr Brian Hanks, director of pensions and administratioa, retains his former responsibilities and is appointed company secretary.

THE ARTS

Mitsuko Uchida/Barbican Hall

Max Loppert

Miss Uchida is an uncommonly pleasing pianist, delicate, sensitive, with an imaginative grasp of the less obvious nuances of a composer's text far outside the familiar run of young prizewinner performers; but for much of her first Barbican recital, on Sunday, the flame was burning rather low in her playing.

The hall itself may well have been to blame for some of the apparent constraint—in its combination of acoustics and platform configuration it seemed to place the sound at a further remove from the listener than simple distance could account for (and a persistent electronic buzz continues to lend its vile tinge to every hush or silence). It was not difficult to imagine these readings of Mozart, Schumann, and Schubert carrying more roundly across more intimate surroundings.

Above all in the Schubert G major Sonata D894, which filled the second half, projection was limited to one kind of tone, one kind of colour application; a want of dramatic variety ran through the performance as a recurring theme. It was a beautiful tone, an aptly subtle and tender *voix mixte* colour; but it dominated the music alike in gentle murmuration and in striding expansion, in slow-movement reverie and in finale playfulness, until in effect it draped a pall of constricting good taste over the entire work. One began to long for contrasts of crisper attack, of brighter sonority, to set against the passages of poetic dappling and clouding so finely sustained.

A good deal more of the desired variousness of moods had emerged in an impulsive account of *Carnaval* earlier in the concert, though their complete spectrum was denied Miss Uchida by the tendency of her louder, more grandiose utterances to misfire or thicken uncomfortably. Most accurately graded to the prevailing manner of the recital was the opening Mozart C major Sonata K545, which the pianist filtered through a gossamer veil of wistful suggestion — rather as Schwarzkopf used to in "Sehnsucht nach dem Frühlinge." Miss Uchida made of the middle movement a complex tracery of regretful half-voices and quietly sighing memories. The whole concert spoke feelingly of Miss Uchida's natural artistry, less convincingly of her store of executive energies.

YMSO/Festival Hall

David Murray

The Young Musicians Symphony Orchestra, drawn from the various London music colleges, is always worth hearing—technical standards are high, and zest and keenness make up for occasional lapses in ensemble. This year young women are strongly represented (more than half the violins, for example, and half the woodwinds, though no lower brass or percussion). Most accomplished are the woodwinds, with a lovely first flute for the *Daphnis* "Pantomime"; the strings, efficient and musical, still suggest that British string-teaching lays too little store by weight and incisiveness.

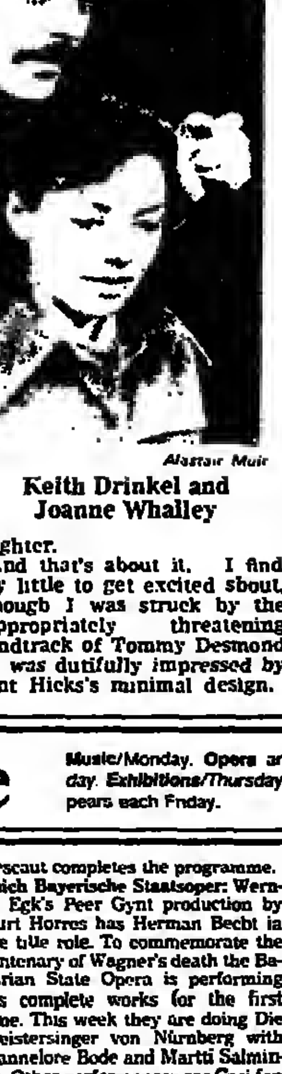
Conducted by James Blair on Sunday afternoon, the YMSO tripped briskly through Rossini's *Gazza Ladra* Overture, and were joined by Margaret Fingerhut for the Piano Concerto of Grieg. Miss Fingerhut has an impressively clean, powerful attack, and some real musical command. She overworked a would-be expressive tic of evening out rhythmic values in big phrases, and there is too little austenance in the cadenza for the meal she made of it; but the faults arose from fervently serious intentions. One would like to hear her in more challenging music.

A second guest was the oboist Gordon Hunt, whose playing with the Philharmonia this season has been a constant pleasure. In Richard Strauss's delectable Oboe Concerto he found his best form only with the Adagio — the opening Allegro was over-anxious and hurried, at the expense of much of its charm. The orchestra sounded tentative; probably the comfortable serenity of late Strauss doesn't come easily to young players. Ravel's second suite from *Daphnis et Chloé*, however, gave them plenty of happy opportunities, mostly seized with flair, and it was properly exciting.

Kate/Bush

Michael Coveney

Yes, our new page style is sometimes confusing. No, this is nothing to do with Kate Bush the pop singer. *Kate* is a new, quiet and inconsequential play by Daniel Mornin at the Bush Theatre. It's a whisper of a piece, a little domestic drama set modestly and not all that convincingly, or resonantly, in Belfast 1973.



Alastair Muir

Keith Drinkel and Joanne Whalley

Helen is ill and abandons her family to stay in Scotland. Sam has problems with the adolescent children: he commits incest with Kate, who is taking a secretarial course and doubling as surrogate mum; and he cannot control little Sammy, who is falling in with Protestant street gangs and throwing stones at the Fenians. The trouble is that Mr Morning never develops anything in terms of either character or narrative incident. Although Keith Drinkel affects a shoulder stooping air of defeat as Sam, and Joanne Whalley is eminently watchable, bright and lively, as Kate, the play simply disintegrates before your eyes.

Sammy (David John) turns up with a slit belly and finally pulls a gun on his own father. The two men share an emotional hug before the parting of the ways. Helen (Jan Chappell) has returned a new woman, but she packs her bags and leaves for good with her daughter.

And that's about it. I find very little to get excited about, although I was struck by the inappropriately threatening soundtrack of Tommy Desmond and was dutifully impressed by Grant Hicks's minimal design.

Home-grown expressionists

William Packer reviews exhibitions of the work of John Bellany and Anthony Caro

The New Wave of figurative expressionist painting of the past few years has naturally provoked much curatorial, critical and of course commercial excitement and activity, all perfectly understandable if not always entirely reasonable or convincing. Such interest is all very well, so far as it goes; but unfortunately it does only go so far. Eyes and minds do tend to narrow under competitive pressure, and here it is to be particularly regretted that yet again our generous enthusiasm for the work of highly visible—for they are assiduously promoted — foreign artists appears to have led us to discount too readily, and even to pass up altogether, the current, comparable and often pioneering achievement of our own.

John Bellany in his London studio

John Bellany's career and present circumstances make the point for us with some clarity. This is a season in which we have seen the wonder child of New York, Julian Schnabel, at the Tate, Francesco Clemente lately at the Whitechapel and in the West End with the enormous output of a bare month or two, and Salle, Chia, Baselitz and the rest of them about the place. And here is an artist who has worked consistently and steadily over nearly 20 years, renewing and developing as he remains true to himself, achieving enough notice admittedly to win a place for his painting in the Tate's collections, but with no gallery to offer him a regular show-case, and little to show that he has effectively made a name.

There are indeed important dealers in the New Art here who have no knowledge of his work at all. The selection from Bellany's work of these past 10 years, now on tour (at the Ikon, Birmingham, until March 26 — then on to Sheffield, Glasgow, Rochdale, Newcastle and Liverpool), is therefore well timed.

Whatever else be is, and he is Scottish and 40, he is no mere opportunist skilfully milking the latest trend; but the comparison with Clemente in particular is useful. Both artists work obsessively, at high speed and with a fierce energy, for how else could so many huge paintings ever be done? Both present us with a private, indeed highly personal gallery of mythical beasts and figures, signs and symbols, usually unspecific and often deeply ambiguous or obscure; and with them both the statement is loose, direct, sometimes manifestly violent.

But such as they are, the similarities between them are essentially, or perhaps literally, superficial, the practical matters rather of scale and material, manner and technique. The differences tell us rather more; and immediately it becomes clear that Bellany is the more interesting of the two because his work is simply the more profound. The consistency of his preoccupations over those 20 years may have occasionally provoked the easy charge of predictability, caution and a certain lack of imagination; but such faults, if faults they are, he shares with the most distinguished company, and they give his work a certain bottom of sound and cumulative achievement.

Plus ça change . . . always, even in the latest, freest, most abstracted and allusive of his paintings, there remains so close to the surface the sense of direct experience, the autobiographical reworking of particular images and ideas, deeply rooted in his past, for all that they may be transformed, enhanced, made more general in their application.

And always there is the honour paid to the art of the past, not only to the work of artists he evidently holds in special reverence, such as Ensor and Beckmann, but also to that broader strain of northern expressionism that leads back through Rembrandt to Grunewald. In his imagery he is indeed an artist of northern Europe, but in his touch, in his handling and enjoyment of the paint itself—which is quite as much the true painter's subject as any image—he has much of the southerner's sensuality.

There is a painting from 1974 in his exhibition, a strange and haunted image of a woman, the Madonna of its title, lying on a bed, with ram's head or mask, an atavistic invocation of Old Nick himself perhaps, beset by flames staring implacably through the window grille above her. Strange it is, and perhaps not to be dilated upon too closely; but it is stated with a careful lusciousness in the paint loose yet never arbitrary, that shows Clemente up as the gratuitous and thoughtless image maker he is, a facile voluptuary.

The point, which can never be made too often, is that in true painting the image and statement, means an end, are fused as one, inseparable, the one unthinkable without the other. The artist must accept responsibility on both counts, and work to achieve both. It is not enough to present an image and leave the statement to shift for itself. With Bellany, even in his most closely realised and particular images, the cat, fish, bird-headed figures sailing out to sea with the Port Seton fishing fleet, the eye inevitably returns to the painted surface; and in the more recent, the most indulgently expressive swirls and scumbles of thick oil paint, always the image rises out of the mass to fire the imagination.

Anthony Caro, the doyen of the middle generation of British sculptors, too is an expressionist of sorts, for the term is infinitely adaptable, but there is nothing figurative or representational about the work. It is figurative, however, in the sense that architecture is figurative — and whatever else we may say about architecture, ancient or modern, we seldom hear ourselves asking what it means. In architecture we have learnt to live with abstract art, and with Caro's sculpture, and not only his, it is the humane relation, the common space, the volume to be invested imaginatively, that is the point of reference.

He too works at high speed, throwing together it seems with an almost casual dexterity and confidence all the off cuts and pickings of the scrapyard (a submarines' graveyard, apparently, in this case). But the air of improvisation about it all is not false exactly, but certainly deceptive. We relish the physical mass at the same time as we admire the compositional wit and skill, for heavy metal disposed so lightly takes on a fresh and ever surprising character, and we are not used to such unponderous sensations.

On calmer, or perhaps simply extended considerations, however, these works begin to settle, all their movement and energy not dissipating exactly, but rather being seen against a containing and determining discipline. For we begin to see that Caro has returned in this new body of work to a clear preoccupation with certain basic architectural structures: the tripod, the raised platform, the pillar, lintel, arch. The characteristic fluidity of recent years remains, but now as the deft and lively improvisation upon a newly-stable theme — no essential change in that, perhaps, from the work, so revolutionary in its time, of 20 years ago, but now at once more massive and impacted, and yet so adventurously expressive (at the Knoedler and Waddington galleries until March 26).

Duo de guitares/Ronnie Scott's

Kevin Henriques

Complementary playing and exhilarating showpieces

As its title suggests, this enterprising jazz package was born in France but for the past fortnight an enlarged version has been touring England and Ireland and last week stopped off at Ronnie Scott's in London. Apart from the two guitarists, Barney Kessel and Sacha Distel, it contained vibraphonist Peter Appleyard and the Brian Dee trio, but not until the end of each set did the six musicians perform together.

Of the sextet the joker in the pack was undoubtedly Sacha Distel, whose other persona is ineffably associated with simpering warblings. But Distel was a skilled and much admired guitarist long before becoming a show-biz personality and it is a measure of his deep and genuine jazz roots that for a fortnight he forsook more lucrative pickings to go on tour as a jazz musician.

On Friday he straightaway recalled his "Afternoon in Paris" album (made with the Modern Jazz Quartet), giving the now rarely heard title tune an invigorating freshness. His Reader's Digest version of Rodrigo's "Concierto de Aranjuez" would have upset purists, especially the later doubling of the tempo, but even so it was respectful and, importantly, soulful.

Distel's electric guitar style is reminiscent of Django Reinhardt's on the acoustic instrument (there is a similar steely tinge to his sound and he makes resourceful use of space) and this came out forcefully in his duet with Barney Kessel in Reinhardt's famed "Nuages."

Kessel, one of the accented masters of jazz guitar, is a fleet player, yet he picks out the notes incredibly cleanly and decisively. Like all masters he has a faultless appreciation of dynamics — adeptly illustrated by the pianissimo delicacies of "Embraceable you." His rhythmic playing was finely showcased in several Latin American tunes.

The difference in the styles of Kessel and Distel was striking, yet when playing together they were always complementary to each other and during a swinging "All the things you are" indulged in an unexpected but highly-effective counter point stop-chorus.

If the hard core jazz was provided by the two guitarists (not forgetting the essential backing from the British rhythm section led by pianist Brian Dee) then the soft side came from Cleethorpes-born but longtime Canadian resident Peter Appleyard. An exhilarating, if derivative, vibraphonist, Appleyard, is a purveyor of happy exciting jazz with his now familiar showpieces, the helter-skelter version of "Fascinating Rhythm" and the closely-observed humorous impersonations of other vibes players such as Lionel Hampton and Milt Jackson. Sadly, his visits to Britain are rare.

Fielding Sixes/Sadler's Wells

Clement Crisp

Merce Cunningham showed us *Fielding Sixes* when his company came to the Wells two summers ago. It then had a setting by Mark Lancaster comprising panels of demented string whose entanglements seemed to mirror the excruciating contortions that John Cage had imposed upon Irish jigs to make the sound-track. The dances, by contrast, looked clean, clear. Now Ballet Rambert has acquired the piece — the first British troupe to own a Cunningham work — and showed it in Friday night's new programme, though without decor save for a blue back-cloth, but retaining the Cage-dismembered jigs.

The dances still look clean and clear, though tending to outstay the welcome their jumps and alert progressions first win from us. The choreography proceeds through patterns formed and then re-shaped, as if little magnetic attractions were set up between dance-phrases and dancers which broke as elements moved apart and made fresh clusters of activity. It is agreeable, and agreeably danced, with the right coolness of temper for Cunningham, and the little echoes of folk steps and the inter-weaving of lines of energy match the jiggling distortions of the accompaniment. But it is also like tape-loop choreography whose final break is too longdelayed.

The programme included Richard Alston's enigmatic, stimulating *Apollo Distraught*. The seeming reversal of Balanchinian forces — three male celebrants with Apollo as goddess — is merely intriguing; the serious matter of the work is Alston's fine control of a female chorus and the rich texture of dances for the male trio to the adagio of Nigel Osborne's flute concerto which is the score. Here the recurrent fanning out of the dances are a subliminal reminder of *Apollo*'s famous sun-burst pose by the Muses; Alston develops this in slow falls and convolutions for the men whose hieratic air refines athleticism into ritual.

In the concerto's third movement the physical and emotional tensions between the goddess and the men (last year's strong, original cast of Catherine Becque, Hugh Craig, Ikky Maas and Michael Popper) are hard-driven by the music and find no apparent peace as the figures at last collapse to the floor.

The Table of the Two Horsemen/Bristol

B. A. Young

Arthur Frewen, the author of *The Table of the Two Horsemen* at the Theatre Royal, has been an officer in the Indian Army and a master at a boys' school, and he recalls both worlds nostalgically. Though his play is set in 1942 and 1946, the war is kept off stage, and the officers at the Rawalpindi Club, though they may mock at schoolmasters, behave just like them.

All, that is, except young second lieutenant Simon Hart. He is the boy that all the masters are secretly in love with, and he makes the most of it. He can avoid duties by playing tennis with the colonel; and he wastes no time in seducing Katie, the girl-friend of Nick Trepan, an older officer who was English master at his prep-school and evidently in love with him then. Two majors, Peter Brind and Tilly with no Christian name, spoil him and forgive him the cocky selfishness that lurks clearly under his surface charms. Simon Cutter is adept at showing us the faults that his brother-officers prefer not to notice.

The first two of the three acts — I suspect the play was written a long time ago — are a long build-up to the events of the third, by which time Simon is a captain with an MC, Peter Brind a divisional commander and Katie, having borne Simon's son, is married to wounded Nick and curiously free from reproach in the Club. We know that Nick was sacked from schoolmastering for having let a boy play with a pistol; and Simon produces a captured Jap pistol from the pocket of his jacket. General Brind and Nick go off to shoot pi-dogs with it, and in a moment Simon is at Katie again, still entwined when the others return.

It is a disproportionately simple climax for such an extended introduction. What I found enjoyable in those long first acts was the detail of life in the Club away from duty, and the lifelike drawing of the characters. Brind, endlessly smoking, drinking and opting out of social activities, is nicely played by Tom Chadbon; when a hint of friendship, even of pleasure, invades his face, he comes very truly to life. His counterpart, cheerful, stupid Tilly, who still thinks only of cricket after he has commanded his battalion, is exactly caught by Ian Lindsay.

Barry McGinn and Miranda Richardson as Nick and Katie are clearly destined to become decent drawing-room fodder for the rest of their lives. As Ram Dass, bringing endless trays of burra pegs with the imperturbability of Gunga Din, a beautiful piece of background, Rashid Karapiet exchanges Urdu with Brind and Simon too polite to allow any sign that he knows India is shortly to come in half.

The set, a grassy garden with a flower-girt stone wall and a few white chairs round a garden-table (Tilly calls it "the table of the two horsemen" because Brind and Nick, who monopolise it, are both cavalry men) is designed by John McMurray, and the director is John David.

Saleroom

A winter landscape by 17th century Dutch artist Salomon van Ruysdael was sold for Fl 1,020,800 (£253,300) by Sotheby's in Amsterdam yesterday, making it the most expensive item ever sold at auction in Holland. The buyer was London dealer Brod.

Another record was broken at the same sale of important old master paintings when Brod paid £161,191 for a marine study by Jan van Goyen. This represents a worldwide auction record for a van Goyen. The previous highest price for his work was £95,000, paid at Christie's in 1977.

The first 60 lots of the sale, which continues today, fetched £871,933, with 7 per cent bought in.

Sotheby's completed yesterday in London the sale of the Krug collection of glass. A further £186,191 was brought in from the auction, with 5 per cent unsold, making a grand total of £1,284,718.

A Silesian "Hochschnitt" goblet of around 1700, from the workshsop of Friedrich Winter, made £11,000, and a laudatory Royal goblet and cover, bearing the Swedish royal arms, attributed to the Master HI and dated around 1695, sold for £8,800. A Dutch stipple engraved Newcastle goblet of about 1770 realised £4,840 as did a Silesian gilt and engraved goblet and cover decorated by Christian Schneider of about 1760.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

March 11–17

Opera and Ballet

WEST GERMANY

Berlin Deutsche Oper: the week starts with Mozart's Idomeneo featuring Edda Moser and Hermann Winkler, followed by Boris Godunov produced by Rudolf Sellner with Seiglinde Wagner and Martti Talvela in the main roles. Herbert von Karajan conducts Der Troubadour with an all Italian cast. Don Giovanni is a delightful revival, and Der Wildschutz closes the week.

Hamburg Opera: Johann Christian Bach's Amadis – which has been rediscovered after 200 years – has its premiere here this season, produced by Marco Arturo Marellis and conducted by Helmut Rilling with Doris Soffel and Helen Donath. Also this week Hoffmann's Erzählungen with Neil Shicoff in the title role. The praised production of Der Rosenkavalier with Brigitte Fassbander and Helen Donath continues, and Der Troubadour brings together Julia Varady and Sherill Milnes.

Cologne Opera: This week's highlight is Der Troubadour with Raina Kabaivnaska, Eva Randova and Juan Leveras.

Frankfurt Opera: Eugenia Moldoveanu starts in La Traviata, and Rigoletto has guest singer Ingvar Wixell in the title role. William Workman and Judith Beckmann sing in The Marriage of Figaro.

Stuttgart Württembergisches Staatstheater. There is the premiere of a new production of Alban Berg's Wozzek by Harry Kupfer, with Leslie Guinn. Karan Armstrong takes the title role in Tosca, and Manon Lescaut completes the programme.

Munich Bayerische Staatsoper: Werner Egk's Peer Gynt production by Kurt Horres has Herman Becht in the title role. To commemorate the centenary of Wagner's death the Bavarian State Opera is performing his complete works for the first time. This week they are doing Die Meistersinger von Nürnberg with Hannelore Bode and Martti Salminen. Other performances are Cosi fan tutte and Rigoletto.

Berlin Opera: World premiere of Tutuguri, danced to music by Wolfgang Rihm and choreographed by Moses Pendleton, who also is one of the leading dancers.

PARIS

La Traviata conducted by Alain Lombard with Wilhelmenia Fernandez alternating with Andree Esposito in the role of Violetta and Alberto Cupido in the role of Alfredo. Opera Comique (296 0611).

Fledermaus – a controversial production with music-hall elements – conducted by Ralf Weikert with Gino Guilico. Ileana Cotrubas, Janet Perry and Siegfried Jerusalem alternating with Alan Titus, Barbara Daniels, Norma Burrowes and Neil Rosehein, and Figaro's Hochzeit conducted by Ralf Weikert with Margaret Price/Ruth Falcon and Jose Van Dam. Paris Opera (742 5750).

The Sleeping Beauty danced by the stars and the ballet corps of the Paris Opera with Rudolph Nureyev as guest dancer. Choreography by Rosella Hightower after Marius Petipa. Palais des Congres (758 1458).

BRUSSELS

Cirque Royale Karmen Larumba Contemporary Ballet (Wed, Thur).

LONDON

Royal Opera, Covent Garden: Die Zauberflöte, in August Everding's jokey but not uninteresting production, returns with a cast of leading Mozartians (Lucia Popp, Stuart Burrows, Hermann Prey) and Colin Davis as conductor. Sir Colin also conducts, with splendid vivacity, the current successful Carmen revival, in which Agnes Baltsa and Jose Carreras bring fresh insights to much-played roles; Yvonne Kenny takes over as Micaela.

English National Opera, Coliseum: a new production of Dvorak's Rusalka, a lovely and lovable work not seen in London for some years, has Eilene Hannan in the title role, and the conductor-producer team of Mark Elder and David Pountney of the ENO's recent grotesquely travestied Queen of Spades. Further performances of Il trovatore, with Rita Hunter not quite her former vocal self but still grandly impressive, and of Rossini's Cinderella, with the delightful and vocally brilliant Della Jones.

Royal Opera House, Covent Garden: the Royal Ballet plays its Ashton triple bill on Saturday, and its MacMillan triple bill on Wednesday.

Sadler's Wells, Rosebery Avenue: Ballet Rambert presents a new programme every evening from Saturday till Wednesday, and then changes to the Bruce 'Berlin' Requiem and Paul Taylor's Airs on Thursday.

VIENNA

Staatsoper (5324/2655): Il trovatore, Don Pasquale, and Der Barbier von Sevilla in repertory; on Sunday there will be the premiere of a new production of Rigoletto, conducted by Riccardo Muti and produced by Sandro Sequi. Designed by Pantelis Dessyllas, the cast includes Edita Gruberova, Renato Bruson, Veriano Luchetti and Peter Wimberger.

Volksoper (5324/2657): Der Graf von Luxemburg, Das Feuerwerk, Die Entführung aus dem Serail in repertory. On Tuesday there will be a new production of the ballet Giselle, choreographed by Alicia Alonso and designed by Georges Wakhewitsch.

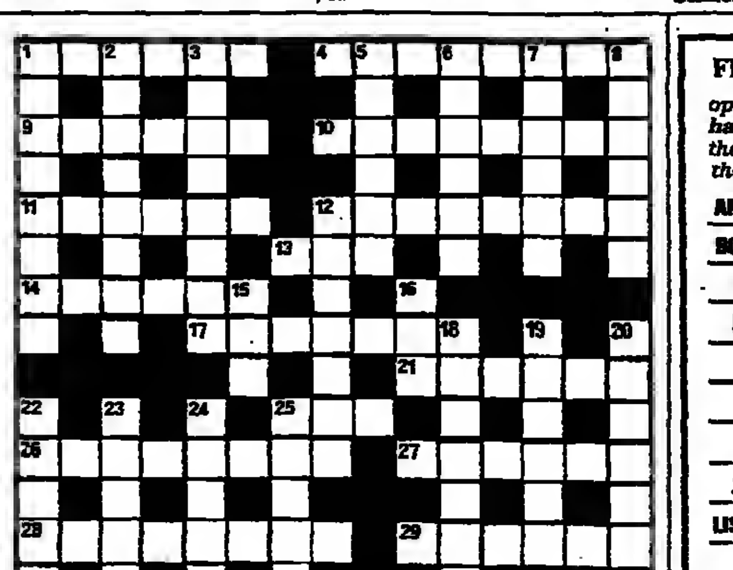
NEW YORK

Metropolitan Opera (Opera House, Lincoln Center): The first seasonal performance of Die Walkure, conducted by Silvio Varviso based on Herbert von Karajan's production, with sets by Gunther Schneider-Siemssen with Gwyneth Jones, Hildegard Behrens and Manfred Jung this week joins performances of Don Carlo, Der Rosenkavalier and Madame Butterfly. (580 9830).

The Hamburg Ballet (Brooklyn Academy of Music, 30 Lafayette Av): Known as Germany's "enfant terrible" artistic director and choreographer John Neumeier's company opens its fortnight's visit with A Midsummer Night's Dream, done to Mendelssohn and Ligetti. (636 4100).

Merce Cunningham Dance Company (City Center, 55th e. of 7th Av): Now a modern classic, Cunningham brings ten familiar and one premiere to this short but rewarding season. (581 7907).

F.T. CROSSWORD PUZZLE No. 5,122



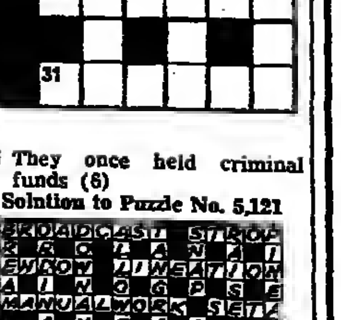
ACROSS

1 Short notice (6)
4 Sweet that scores highly? (5-3)
9 Comb and cut the French creation (6)
10 Tap observed to be crooked (4-4)
11 Cleaning brush, barely used (6)
12 Shoot an animal and bird (8)
13 Island surroundings (3)
14 Banishes to former French islands (6)
17 Stubborn fellow? I'd heard otherwise (3-4)
21 Shout about jellied eel in the salad, perhaps (6)
25 Cunning Shakespearian character (3)
26 Reckon tea-time's been changed (8)
27 Staff provided to help the disabled (6)
28 Steal a little distance? (4, 4)
29 Lawyers open with argument that carries weight (6)
30 Entertainer, possibly Sudanese (8)
31 The sound of the Beatles? (6)

DOWN

1 Hero achieves eminence among top men (8)
2 Falls for a queen (8)
3 Allowed to go into print? (8)
5 More land (6)
6 Probably promising (6)
7 Rarely seen part of the French President's residence (6)
8 Last though almost sure to finish on top (6)
12 An opening for an opener (7)
15 Ugly comparison (3)
16 The French maid's home address (3)
18 Press for a reduction? (8)
19 These plates are used for eating (8)
20 How to get there, incidentally (2, 3, 3)
22 A way of acting (6)
23 Taken unawares? (6)
24 He decides if a striker is to be dismissed (6)
25 They once held criminal funds (6)

Solution to Puzzle No. 5,121



THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

How Wide Range found its bearings

Centralised selling proved to be a lifeline for a Midlands engineering distribution company. Tim Dickson reports

Trevor Humphries

Brian Oddie: If an ordered item is one of 20,000 in Wide Range's warehouse it can be packed and ready for despatch in minutes and delivered by the following day.

"HAVING sharpened every pencil at each end and written on both sides of the paper what on earth can you do next?"

Two years ago managing director Brian Oddie and his fellow board members at Wide Range Engineering Services were desperately asking themselves this question. Like many of its UK rivals at the time, the Leicester-based distributor of bearings and power transmission systems had been hit by a sharp downturn in sales. But alarmingly, the more they cut back their overheads, the more demand seemed to wither away.

Happily for Wide Range, which is controlled by a family trust whose beneficiaries are children of a leading local industrialist, it appears to have found the answer to its problems in a new centralised approach to selling. The effect has been to slash overheads, substantially increase the proportion of customer inquiries converted into firm orders, and to turn a loss-making business into a profitable and much fitter concern.

The company has dubbed its new computer-based distribution system Link Line—but given its impact on the company's finances "Lifeline" would not have been inappropriate.

Wide Range, however, is not just the story of another small business forced to confront modern technology to keep its nose in front. Nor is it a typical tale of a company clipping its wings to survive the chill winds of recession.

Through Link Line its executives have pioneered a highly unusual and potentially risky approach to its "traditional market place. In the process large numbers of jobs have been shed but what the company claims to have established is a new base from which it feels it is better placed to launch a new expansion drive.

Like most of the 200 or so companies distributing engineering parts in the UK, Wide Range until 18 months ago operated through a reasonably sized branch network. It ran 20 offices up and down the country.

Explains Oddie: "The theory was that each branch carried enough stock to meet local demand. That was fine as long as you could gauge in advance what customers wanted but orders in this business are usually placed at random so most people can't. The result was that too often customers didn't get their supplies immediately. They had to wait while their order came via the branch to the warehouse and then back again."

The key to Link Line, by contrast, is a sophisticated order entry and inventory management system developed throughout 1981 and operated centrally, since November of that year, from the company's headquarters at Narborough, just outside Leicester. Customers thus bypass the branch, contact Narborough direct and if all goes according to plan will be told in a matter of seconds whether the item they require is in stock.

If the answer is "yes"—20,000 parts are stored in the company's warehouse—the item can be packed and ready for despatch within minutes and delivered either the same day or the following day.

If the answer is "no" the Wide Range sales team have a direct computer link to the stock position of SKF, Wide Range's major supplier. If necessary the goods can be sent by special delivery to any location in the country.

"All stock is here, rather than fragmented in depots round the country as in the past," explains Oddie. "The point is that there is now a much better chance that a particular item will be available." Oddie also claims that Link Line speeds delivery—90 per cent of orders are supplied from stock—and that instant answers can now be provided when customers ring up.

Not everybody, of course, has been converted to the Wide Range philosophy — though assistant managing director Jack Jameson claims that new customers have now almost made up the shortfall caused by those which have dropped out. Clearly some prefer a local service and with this in mind the three biggest branches have been retained in Peterborough, Sheffield and Aberdeen.

Wide Range has thus recognised—albeit only latterly—that customers have to be convinced that centralisation brings benefits for them as well as their supplier. To counter the sceptics the company has been emphasising that it has not lost the personal touch. And conscious that few customers are likely to accept an invitation to the Narborough headquarters, it has recently equipped travelling salesmen with a four minute video which explains the Link Line concept. A further push is planned through direct mail shots.

Commenting on Link Line, an industry observer said he thought that in future "things will move more in this direction. They have lost comparatively little business so far but it remains to be seen how much they can increase throughput, offer better discounts and thereby up their market share."

The effect of Link Line on the company's financial performance, however, has been marked. Sales per employee, which worked out at £8,000 per quarter when the recession first struck at the beginning of 1980 and plunged to £6,000 a year later are currently averaging £14,000 over a three monthly period. And while total sales for the year to October 1983 are not expected to be much different from the £3.4m recorded in the previous 12 months the company is anticipating a healthy profit this year, compared with a loss last time.

Obviously slashed overheads are partly responsible. The workforce has been drastically pruned with only 55 employees left today, compared with 175 in September 1979 before the recession struck and concentrated minds.

Many were previously based at the 17 branch offices which have now been closed but head office numbers have also been reduced. "It was pretty traumatic having to make so many people redundant; and at the same time we had to keep up the morale of those who stayed," recalls Oddie.

Besides automating work previously done by expensive hands, Link Line is also contributing to increased efficiency. The company's first time "hit rate," for example, has shot up from 46 per cent in November 1981 to 72 per cent last December while the claimed enquiry order-to-conversion rate is now 97 per cent, against 72 per cent before the system was installed.

Wide Range—in which the Industrial and Commercial Finance Corporation has a 25 per cent equity stake—managed to finance the recent rationalisation from its own resources. Being a relatively young company—it was formed in 1969—redundancy costs were reasonably small while the computer hardware—two IBM System 34s—are rented.

Computer expertise had previously been acquired through a separate motorcycle parts distribution activity; the software programme, which continues to be refined and modified, was tailored specially for the company by two in house specialists.

"One lesson we have learnt," says Oddie, "is not to have a computer department tucked away in a back room. Every employee here has some 'hands on' experience.

"We have also realised that it's no good expecting the good days to come back again. You've got to live on what business there is today. Inventory management is vital. There's no point deluding yourself that the stock is worth more than it is and there's no way you should wait until three to four months after the end of the financial year for the auditors to tell you how you are doing. We have monthly management accounts and send a full report to the bank every six months."

Government schemes

TV used to plug the gap

"I THINK it's needed—but I certainly gulped when I saw the figure of £2½m."

This reaction by the spokesman of a major small firms representative organisation to the Government's forthcoming publicity campaign is not untypical and no doubt sums up the feeling of many of his members.

From Friday advertisements on both television and in newspapers will draw attention to the wide range of help—advisory agencies, grant and loan schemes, tax incentives, etc—which have been introduced by governments over the past few years.

Most people associated with small businesses confirm that there is a huge information gap. Grants and cheap or easy loans go unnoticed and free, or cheap advice which could save many companies and help others expand is either ignored or fails to hit the most deserving target.

Many of the financial advisers to which small businessmen traditionally turn, moreover—bank managers, solicitors and accountants—are also alarmingly unaware of the useful contacts they can pass on to their customers. Over 85 per cent of a small sample of "professionals" interviewed before the announcement of the publicity campaign, for example, thought there were few or no schemes to help small businesses.

While advertising is thus badly required to spread the message to a wider audience, the scale of the new £2.5m campaign raises a number of questions.

There is for example the decision to feature 86 different schemes in the promotion. This Government is keen on playing the numbers game—it currently boasts about 98 schemes which have been introduced since May 1979—but there are more than a few people who say it would be less confusing to concentrate on the handful or so of schemes most applicable to the majority of small firms.

Also questionable perhaps is the decision to splash out the £2½m in under four months though an Industry Department spokesman points out that "if you spread out the campaign over a longer period you could lose the impact."

More welcome is the campaign's emphasis on what is available for existing businesses—start-ups perhaps got too much attention in the 1981 Business Opportunities Programme—and the clear message on TV at any rate will be that running a business is far from easy.

The TV ad features two individuals scaling a rock. The steadier climber is using pitons (representing Government aid schemes) but the impression left is that neither ascent is without its hazards.

T.D.

In brief...

SMALL businesses wanting better value from their advertising budgets might be interested in three afternoon briefings being organised by the London Enterprise Agency (LEntA). Small firms, says LEntA, often fail to promote themselves professionally because of a combination of ignorance and the relatively high cost of advertising.

"Profit from promotion" kicks off on March 24 with the Post Office Marketing Division talking about direct mail; on April 19 there will be presentations on choosing the right media by experts from TV, radio and newspaper advertising; and on May 17 a journalist and public relations consultant will discuss editorial coverage of products and the businesses which make them. More details from Ray Cobbett at LEntA. Tel: 01-248 4444.

●

A USEFUL guide to government grants for research and development has just been published by Technical Development Capital, the venture capital arm of Finance For Industry. The booklet has only 12 pages but discusses the eligibility of projects, the structure of the Department of Industry, the types of schemes available (with comments on the relative ease or difficulty of getting support) and how to structure an application. There is a short section on the Department of Trade and the European Community. Copies (price £5 inc p and p) are available from TDC, 91 Waterloo Road, London SE1 8XP.

●

THE Seventh National Small Business Management Teachers' Programme will be held at the Polytechnic of Central London between July 4 and 15. The aim of the two-week residential programme for teachers interested in small business management education is to discuss ways in which the subjects can be developed both for students and practising managers. A limited number of bursaries are available from the sponsors, Barclays Bank and the Department of Industry. Details from Professor John Stanworth, Director, Small Business Unit, School of Management Studies, Polytechnic of Central London, 35 Marylebone Road, London NW1 5LS.

●

THE Association of British Chambers of Commerce (ABCC) has appointed a Small Firms Liaison Executive. He is Edward Hall, a Business Advisory Service manager on secondment from Barclays Bank. Hall will serve as secretary to the recently formed ABCC Small Firms panel, a group of 43 small businessmen dotted around the country whose views are being canvassed to advise the Department of Industry on major issues.

●

INNOVATORS and small companies with a new product idea should consider heading a path to the door of the London Enterprise Agency. For LEntA and National Westminster Bank have just set up a £20,000 fund to help those with an idea translate it into a prototype.

Brian Wright, LEntA's director, feels the fund will help plug a major financial gap in the market and says that if this pilot experiment is successful more money will be made available. He points out that LEntA can help applicants plug in to its R and D contacts in big companies all over the UK. Cash grants will be handed out to those who impress the panel of assessors on a first-come, first-served basis. More details from Richard Haston at LEntA on 01-248 4444.

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Specialising in retail and office development. Retained investment portfolio with rental income over half million pounds per annum. £20 million development programme in hand. Net profits of £1 million anticipated for year to March 1984. Would consider outright sale, merger or reverse takeover. Interested parties please write in confidence to:
Box F3876, Financial Times, 10 Cannon Street, London EC4P 4BY

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against unconfirmed Letters of Credit
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MANUFACTURERS
ARE YOU SITTING ON A POTENTIAL GOLD MINE?

Ever considered selling your products or services by post through mail order! With our expert advice, this untried, untapped new outlet could quickly bring extra turnover into your Company—help improve its cash flow—and increase profits.
Contact us now, before using inexperienced or non-specialist advice. We are a mailorder advertising group with 20 years experience in successful product selling by post. We will provide any company considering this area of selling with a free appraisal/advice on the mail order viability and potential of the product or service. We offer full "in house" creative/design/copywriting/media booking and production services.
Send details of your product or service in strictest confidence to:
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VERY EXPERIENCED BOARD

Of well established private company operating in the hotel industry is interested to form capital link with property or leisure orientated company preferably with quote on London or Provincial stock exchange and current market capitalisation £2m-£5m.
Strictest confidence, naturally, will be observed.
Principals or their advisers are invited to contact:
The Chairman, Box F3877
Financial Times
10 Cannon Street, London EC4P 4BY

EXCHANGE OR SALE
SOUTH OF FRANCE

VILLA: 3 beds, lounge, kitchen, bath, 2 toilets. Split level. 2 years old. Swimming pool in complex. Overlooking Med. yards from Sea. Port Miramar. 17 km Cannes. Including mooring. Would exchange for commercial investment UK or residential property. Price region £110,000, cash adjustment either way.
Write Box F3879, Financial Times
10 Cannon Street, London EC4P 4BY

SMALL ESTABLISHED
CONTRACT WORK WANTED

distributing components to the Industrial, Engineering and Automotive trade, would wish to join with a public company to assist in expansion. Share exchange would be considered.
Apply for further details to:
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wants another project with two of the following characteristics:
★ HOME Improvement Market
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Write B.M. SPLENDOUR
WC1N 3XX

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Successful and profitable Advertising Agency wishes to develop a Medical Division by an association with an established and equally successful consumer agency (any size or name considered).
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If yes, you might have an interest in our offer.

We are an old young German holding company involved in the field of horticulture. We control the production of a high quality organic fertilizer based on huge reserves of raw material also controlled by our group. We now want to exercise our option to buy us into the leading German company for packing and formulating of chemical and organic mineral products. The same procedure will be exercised to buy us into one of the leading distributors of products for horticulture and agriculture in Germany, Switzerland and Austria. For this purpose our holding company will increase its capital by about DM 6m. We are prepared to enlarge the circle of shareholders and offer to the right person or group the possibility to take a stake in our group. Even a majority might be discussed.

If you feel our idea and system might suit you, please contact us at:
Box F3797, Financial Times
10 Cannon Street, London EC4P 4BY

Business Opportunity

Sheffield Area—Cash Available

Our client, a well-known local service company has up to £1 million cash available for investment in de facto control of a private or public company within a radius of thirty miles or thereabouts of Sheffield.

The company must have substantial asset base and competent, dedicated management. Management "buy-outs" seriously considered.

Legitimate proposals will be treated in strict confidence and should be sent to:
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Attention: RO Goldstein, York House,
York Street, Manchester, M2 4WS

Price Waterhouse

LOOKING FOR NEW BUSINESS OPPORTUNITIES?

General Electric's 1983 edition of the "New Product/New Business Digest" describes over 500 products and processes that are currently available for acquisition or licensing to use or manufacture and market yourself.

Items, large and small, range from new inventions and R&D spinoffs to fully developed, tooled-up products from a variety of sources: universities, R&D firms, Government agencies, entrepreneurs and major companies including GE. You may find the one product you need to start your own business, or add to your product line.

Begun 13 years ago as an outlet for GE items only, the NP/NB Digest now contains items from sources around the world.

The illustrated 8½ x 11 inch "New Product/New Business Digest" contains over 60 pages and includes complete names and addresses for direct follow-up. The 1983 Annual Edition is $59.00/copy ($75.00/copy overseas). Only prepaid orders are accepted. NY State residents add sales tax.

General Electric Company • Business Growth Services
120 Erie Boulevard, Room 140 • Schenectady, NY 12305 USA

GENERAL ELECTRIC
U.S.A.

INTERNATIONAL CONTAINER LEASING LIMITED
(a subsidiary of Cadogan Estates Limited)

offers participation in its 1983 US$15 million Open Top and Tank Container fleet expansion programme. The lease income should exceed 18% per annum. First Year Allowances should normally be available. 20' Open Tops US$3,800, 40' Open Tops US$6,000, 20' IM 101 Tank Containers from US$23,000.
Offer open to both corporations and private individuals. Minimum purchase of 1d containers. Syndication on smaller numbers permitted by approved professional intermediaries.
For further information please contact:
International Container Leasing (UK) Limited
13 Park Place, St. James's Street, London SW1L 1LP
Tel: (01) 409 0480

A NEW DEPARTMENT STORE NAME IN THE HIGH STREET

An opportunity to share the success of a household name on the continent who wish to expand their expertise to this country by way of a franchise agreement.
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Looking for distributor with Sales Team established with Chemists and Druggists
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AMERICAN COMPANIES FOR SALE

Clarkson Associates, a VR Business Broker with over 300 offices across the USA, specialises in finding closely held profitable companies that fit your acquisition requirements.
For details write:
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CLARKSON ASSOCIATES
681 Main St., Waltham, Mass. 02154, U.S.A. (617) 894-8850

BULLISH FUTURE?

Senior Independent Multinational Investment Bankers/Advisors interested in consultations, financial deals, Board Membership. Strong investment guidance background. Formerly advisor to U.S. President & affiliations W.D.K. Ludwig, Cyrus S. Eaton, Ruling King. Available March, April in Europe.
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FOR IMMEDIATE SALE

Licensed, strict confidentiality law, no currency controls. Telephone and telex numbers. Private office and conference room, secretarial and management service, cheque clearing facilities, correspondent banks, nominee shareholders and directors available. Can be used immediately. Priced for quick sale at U.S.$60,000.
Principals only for appointment in London
Telephone Mr Josephs, London 01-581 3311, ext 241

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80% equity offered for joint venture. Manufacturing, marketing to meet world-wide demand. British powerful precision robot—micro-chip control. Unique selling advantages. U.K. and overseas patents. Independent (Geneva) market report. High profit ratio. Unbeatable opportunity for fast safe entry into robotics at nominal cost. Maximum backing from Govt. and shareholders.
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Invest in the growing and lucrative photo processing market. With a Hope Perfect-Flow processing lab., sited in a busy shopping area, you can offer D & P customers a 1 hour or same day service.
The machinery will cost about £55,000. The income could keep you and your bank manager very happy.
Get the facts from John Allen,
HOPE INDUSTRIES UK LTD.
Northbridge Road, Berkhamsted, Herts.
HP4 1EH. Tel: (04427) 74792.

EXPERIENCED

COMPANY CHAIRMAN

AGE 45

Seeks major activity in U.K. public company or substantial division of U.S. company. Deep general management experience including high technology programmes, defence, electronics, finance, etc.

Write: Box F3847, Financial Times
10 Cannon Street, London EC4P 4BY

PLASTIC MOULDING COMPANY

A company mainly engaged in precision plastic moulding, with a turnover of £1,000,000 per annum, is interested in finding a partner engaged in the same or allied field to concentrate manufacturing facility on one site with a view to reducing manufacturing costs.

Write Box F3854, Financial Times
10 Cannon Street, London EC4P 4BY

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PUTS ON SALE
the following plants and/or their components never used:

1 - **CHEMICAL PLANTS for the production of:** Formaldebyde - ureic glues - TDI and MDI - ANILINE - PHOSGENE

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3 - **PLANTS for the production of utilities:** Power station for the production of steam and electricity; Demineralised water production; Compressed air production; Nitrogen production

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Sales between principals only. No intermediaries.

For information, catalogues and prices, please apply to:

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Uff. Valutazioni e Cessioni
Via Grazioli, 33
20161 - MILANO
Tx: 330515

FOR SALE
AS A GOING CONCERN
DUBLIN BASED FINANCE HOUSE
GROSS ASSETS IR£5.5m
INDEPENDENTLY FUNDED
With or without attractive City Premises

For full particulars principals only should apply to:

CRAIG GARDNER COMPANY
Reference MAS 10421
Gardner House, Ballsbridge Dublin 4

Morris Vulcan
Opportunity to acquire a major roller skate manufacturing business situated at Solihull, West Midlands.

Turnover in the region of £2.3m per annum.

The factory comprises some 56,000 square feet of modern buildings including ancillary office accommodation. It is held on a long leasehold at nominal ground rent.

A well versed work force of 65 personnel is available together with a willing management.

Cork Gully

Interested parties should contact:
R. A. Stone or R. W. Hatton
43 Temple Row
Birmingham B2 5JT
Tel: 021 236 8966

FRANK MITCHELL (BRIGHOUSE) LIMITED
WEST YORKSHIRE
Joint receivers offer for sale the assets and goodwill of established manufacturer of mould tools for plastic injection and pressure die casting. The company supplies mainly to the motor industry, domestic appliance and compurer manufacturers. Turnover last year was £690,000.

For further information please contact joint receivers:
MR ALLAN GRIFFITHS AND MR PETER FLESHER
Thornton Baker, Eldon Lodge, Eldon Place, Bradford
West Yorkshire BD1 3AP
Telephone: 0274-734341. Telex: 57611

INDEPENDENT PUBLISHER OFFERS FORTNIGHTLY NEWSPAPER WITH NATIONAL DISTRIBUTION IN COMPETITIVE CONSUMER MARKET.

Trade support is lively. Modest, but stable circulation requires suitable financial injection for further sales stimulation throughout National and Wholesale Trades. Opportunities for additional sales increases and advertising revenue evident with growing popularity of title. Small team of enthusiasts work with slim-line cost structure. Funding required for part or full ownership.

Principals only please write
Box G8804, Financial Times, 10, Cannon Street, London, EC4P 4BY

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Highly profitably specialist contractor / manxlacturer of RESIN FLOOR AND WALL SYSTEMS, situated in the Midlands, making pre-tax profits of over £150,000 per annum.

Enquiries to:
HERBERT PEPPER & RUDLAND
(ref. 23)
Chartered Accountants
P.O. Box 30, Walsall, WS1 1QX

BUSINESS FOR SALE IN EDINBURGH

with large premises in City Centre
BUILDERS AND MANUFACTURING JOINERS
plenty scope for expansion
Box G6702, Financial Times
10 Cannon Street, EC4P 4BY

FOR SALE
JERSEY INCOME TAX COMPANY

with Jersey registered office. Non-resident directors can be appointed. Company was formed 7 November 1977. Guaranteed no liabilities.

Write Box G8797, Financial Times 10 Cannon Street, London EC4P 4BY

FURNITURE MANUFACTURER

Small Company t/o £350,000+ trading profitably, with good mix of own wood furniture and trade work. Sound order book. Freehold factory —East Midlands. Reasonable price.

Principals only please
Write Box G8800, Financial Times 10 Cannon Street, London EC4P 4BY

A BUILDING SOCIETY for sale. Offshore tax advantages. Alternative banking operation. Write Box G8808, Financial Times, 10, Cannon Street, EC4P 4BY.

EXPANDING CONSTRUCTION GROUP. N.W. England, specialising in Commercial Buildings. Good order book, all Blue Chip accounts. Freehold premises near M6. Net assets c £1½ (half) million. Management continuity if required. Offers or propositions. Principals only write Box G8803, Financial Times, 10, Cannon Street, London, EC4P 4BY.

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DICKINSON DAVY & MARKHAM

XVIIITH C. WATERMILL
COUNTRY CLUB HOTEL & RESTAURANT

Established 10 years in heart of East Anglia tourist area easily accessible for London and Midlands.

3 BARS:
GALLERY RESTAURANT
up to 60 seats:
9 BEDROOMS
with internal space for at least 6 more
9 ACRES with Trout Fishing on river frontage
MODERNISED DETACHED 3 BED COTTAGE
Barn & Stable for conversion
£165,000 Freehold S.A.V.

BRIGG · BARTON · LOUTH · GRIMSBY

THE RED LION, Aylesbury, Bucks. Turnover £400,000. 2 Steak Bar Restaurants, 2 Bars, Proprietors Flat. Superb Tudor style building in centre of expanding market town. 40 Years Lease on very advantageous terms. Offers on £250,000 to include contents plus SAV. Sole Agents: Fleurets, 10 Bloomsbury Square, London WC1A 2NS. Telephone: 01-636 8996.

FOR SALE
PAINT FINISHING BUSINESS

Due to a rationalisation programme PEGASUS ENGINEERING LIMITED are offering, for sale their paint finishing subsidiary in Harlow, Essex.

PEGASUS FINISHING LIMITED as a going concern.

The company is currently involved in volume paint finishing operations on behalf of the major automotive manufacturers, and in addition is servicing several other miscellaneous customers. The facility is well equipped with two conveyorised spray booth/stoving lines, suitable for both plastic and metal component finishing.

Other finishing equipment includes:
8 spray booths (large and small)
2 large air compressors
3 stoving ovens (large and small)
Spray guns, pressure chambers and ancillary equipment
Extensive jigging equipment
Fork lift and handling equipment

In addition there are well equipped offices, a process testing laboratory and maintenance workshop.

Interested parties, both commercial and private should contact Mr. W. E. Simpson on 0279 20467 or 03272 3745 in the first instance for further information.

Textile Weaving Company or Premises
West Yorkshire

Offers are invited by the Joint Receivers and Managers for the business and/or premises of Waring Fabrics Ltd.

Single storey 35,000 sq. ft. freehold facrory plus ¾ acre of developable land at Silsden, near Keighley.

Sellable in units. Current turnover approx. £500,000 p.a.

Further details from R. W. Martin

Deloitte Haskins+Sells
Park House, 57/59 Well Street, Bradford BD1 5NQ.

UNITED STATES OIL & GAS COMPANY

available for
* Sale
* Merger
* Equity investment or
* Joint Venture

including
* 50,000+ acres unexplored
* Full exploration and development staff
* $13 million annual oil and gas revenues
* Modern refinery
* Port city location
* 8 drilling rigs

Please respond to:
ARTHUR YOUNG & COMPANY
2900 Republic Bank Building
Dallas, Tx 75201
Attn: EOH

FOR SALE

Completely fitted and operational film processing laboratory with the benefit of leasehold property.

Write: Box G8789 Financial Times, 10 Cannon Street London EC4P 4BY

FOR SALE
ACTIVELY TRADING

Issued capital £162,000 and net assets about £200,000. Four subsidiaries which are dormant or becoming so. Assets cash and one freehold property valued at approx. £70,000. CGT losses of about £40,000.

Enquiries to:
Nightingirl & Associates
26 Westminster Palace Gardens
Artillery Row, London SW1P 1PR

POTTERY MANUFACTURER AND RETAIL DISTRIBUTOR
Liskeard, Cornwall

Established manufacturer of own designed, high-fired stoneware. Factory with short lease-hold shops and in a "party plan" agencies.

Enquiries to:
J. Stanlake, Peat, Marwick, Mitchell & Co
4 Tregarne Terrace, St Austell
Cornwall PL25 4BG
Tel: 0726 2201

Peat, Marwick, Mitchell & Co.

Sub contract tool making company
For sale as going concern

Specialising in spark and wire erosion.
Based in Horsham, Surrey.
Principals only need apply.

Touche Ross & Co
R. G. Ellis, Touche Ross & Co.,
Baltic House, Mount Street Square, Cardiff CF1 6QS.
Telephone: 0222 399000. Telex: 498473.

CARDBOARD BOX MANUFACTURER

Old established company (approx. 60 years) producing small boxes to a £110,000 p.a. turnover. Excellent customer list. Situated London. Operating approx. break-even point but encumbered by past losses. Recently joined small group but outside normal sphere of activities. Business and assets for sale on going concern basis. Excellent opportunity for a person able to run and control a company and take advantage of expansion opportunities. We are seeking a low price of £15,000 for a rapid sale.

Write to the Managing Director, Box G8807 Financial Times, 10 Cannon Street, EC4P 4BY

INDUSTRIAL FILM & VIDEO PRODUCTION COMPANY

For sale due to retirement, long established and flourishing company with well-equipped freehold studio and offices, close central London with ample private parking. Owner would remain pro-tem.

£120,000 TERMS NEGOTIABLE

Please reply to Box G8787 Financial Times 10 Cannon Street, London EC4P 4BY

SUB-CONTRACT
BUSINESS FOR SALE
COVENTRY AREA

Exceptionally well equipped auto-shop including 75 modern Swiss and Turret autos. Large and varied 2nd op. dept. enjoys national reputation for quality and service. Profitable. t/o exceeds £800,000. Principals only.

Write Box G8806, Financial Times 10 Cannon Street, London EC4P 4BY

Travel Agency

Well established—situated in prosperous area. All licences and experienced staff and Travicom. T/o £1m. Ideally suited for Company with Directors/Managers travelling extensively.

Principals only
Write Box G8805, Financial Times 10 Cannon Street, London EC4P 4BY

STOCKBROKER BELT

Large, well-established Hair and Beauty Salon. Turnover currently exceeding £200,000 p.a. with considerable growth potential. Would be of interest to substantial group as investment, or leading West End Salon on wishing to move to or expand in the Home Counties.

Principals only please, write to Box G8777, Financial Times, 10 Cannon Street, London EC4P 4BY

SMITHS GORE

ISLE OF MAN
CRONKBANE FARM

Modernised Farmhouse with 2 holiday cottages and caretaker's accommodation. Additional development potential. Woodland stream and land extending to 2 acres. £100,000.

Joint Agents
Chrystals, Bowring Road, Ramsey, I.O.M. Tel: (0624) 812236
Smiths Gore, 62 Warwick Road, Carlisle CA1 1DS Tel: (0228) 27586

PRECISION ENGINEERING CO.
(in receivership)
Wimborne - Dorset

subcontracting to the aerospace and defence industries with additional high quality commercial work.

Holds AQAP4 approval.

Company operates from leasehold premises with approximately 20 employees. Turnover in excess of £½ million of which 80% is produced on CNC machines

Replies to:
B. C. Pike
PEAT, MARWICK, MITCHELL & CO
Dukes Keep, Marsh Lane
Southampton SO1 1EX
Telephone: Southampton 31465
Telex: 477829

Peat, Marwick, Mitchell & Co.

Cotton Doubling Factory
West Yorkshire

Offers are invited by the Liquidator for the long established business of John Gregory (Mirfield) Ltd.

Based near Huddersfield, the freehold property comprises 71,000 sq. ft. of floor space on a 1¾ acre site. Sellable in units.

Versatile machinery includes assembly winders, heavy and medium twisting frames, cabling plant, doubling frames, cone winders, precision winders, conditioning plant, mechanical handling equipment etc.

Established order book. Current turnover approx. £500,000 p.a.

Further details from David Harrison FCA

Deloitte Haskins+Sells
Howard House, Lloyd Street, Altrincham, Cheshire WA14 2DE.

FOR SALE
DRY CLEANING BUSINESS

Chain of dry cleaners based in the west country. The business is profitable and enjoys an excellent reputation for the quality of service.

Turnover: c. £250,000.

Write Box G8799, Financial Times, 10 Cannon Street, London EC4B 4PY.

FOR SALE

A compact QSS mini film processing laboratory available for quick sale. Can be seen in normal daily operation by request.

Write: Box G8788 Financial Times 10 Cannon Street, EC4P 4BY

PRODUCTION COMPANY

For sale due to retirement, long established and flourishing company with well-equipped freehold studio and offices, close central London with ample private parking. Owner would remain pro-tem. £120,000 Terms negotiable. Please reply:

Box G8787, Financial Times 10 Cannon Street, EC4P 4BY

FOR IMMEDIATE DISPOSAL SOUTH COAST BASED

Turnover approximately £90,000 per annum

Write: Box G8786, Financial Times 10 Cannon Street, EC4P 4BY

BUILDERS MERCHANTS! KITCHEN and Bathroom Centre for sale located Herts. £600k turnover, valuable lease and showrooms. Price £120k. Write Box G.8785, Financial Times, 10, Cannon Street, London EC4P 4BY.

By Order of A. J. Katz and B. A. Guilfoyle Joint Receivers of Mallatite Plastics Limited

FOR SALE
AS GOING CONCERNS

The General Steel Coating Division and the Specialist Pipe and Girthweld Coating Division

STOCKPORT AREA & CONTRACT SITES

The Pipe Coating Division provides the only complete anti-corrosion pipe, pipe fittings and Girthweld Coating Package available in the UK, serving the oil, gas and water industries.

The General Coating Division currently has major market share, processing traffic light columns, fencing and cable supports etc, to major corporations and local authorities.

Substantial tax losses in both divisions.

A. J. KATZ OR B. A. GUILFOYLE
ARTHUR ANDERSEN AND COMPANY
Bank House, 9 Charlotte Street, Manchester M1 4EU
Tel: 061 228 2121 - Telex: 668898

Arthur Andersen & Co.

FOR SALE
MULTIPLE RETAILER OF
PHOTOGRAPHIC & ALLIED PRODUCTS
Established name located in South East

Write: Box G8973, Financial Times 10 Cannon Street, London EC4P 4BY

COLLET AND FEED FINGER MANUFACTURER
Central Birmingham

Occupying 7,900 sq ft Freehold 2-Storey Factory, Offices, Stores Building

Old established business currently employing 21 persons

Average turnover approximately £300,000 pa, but capable of further improvements

Principals only apply to:
Box FT/789, c/o St James's House
4/7 Red Lion Court, Fleet Street, Londco EC4A 3EB

COMPANY WITH EXTENDED TAX PAYMENT DATE

Company trading pre 1965 pays corporation tax on profits 21 months after end of accounting period. Holding property worth £220,000. For sale as going concern: £250,000.

Further details 01-272 5630

FOR SALE
SMALL PROPERTY COMPANY IN S.W. LONDON

Comprising: 6 large f/hold properties—converted into 16 flats (not all s/contained) 7 garages. Present income £20,000 p/annum. Development prospects.

BARGAIN FOR QUICK SALE
£250,000
Owner retiring
Ring Richard Barclay & Co
01-672 4244
Ref: DCM/HESS

BUSINESSES WANTED

PROTECTION

Our clients have SUBSTANTIAL FUNDS for the development or outright purchase of companies manufacturing/merchandng INSULATION, ENERGY SAVING or HOUSEHOLD SECURITY product.

National/regional exposure through an established distribution network would be an advantage. Companies involved in the above and also in other forms of house maintenance or building products should not be deterred from coming forward.

Being a FAMILY CONTROLLED PUBLIC company, our clients fully understand the RETIREMENT/FAMILY situation where continuity and job preservation are important factors.

All replies in the STRICTEST CONFIDENCE
C. N. Kenyon
KENYON BUSINESS SERVICES LTD.
Sunlock House, 314 Chester Road,
Hartford, Cheshire. Tel: 0606 888810

FREIGHT FORWARDERS

Substantial Private Company seeks to acquire Freight Forwarding Company to merge with and expand its present activities.

Replies by principals only in strictest confidence to Managing Director, Box G8794, Financial Times, 10 Cannon Street, London EC4P 4BY.

DIVERSIFICATION

Company, part of a major UK Group is looking to more fully utilise its current sales, warehousing and administrative facilities. It has a strong customer base spread over department store, mail order and various wholesale channels, including electrical, hardware and jewellery. Product appropriate to any of these could be of interest.

Write Box F3882 Financial Times 10 Cannon St, London EC4P 4BY

HOUSE BUILDING COMPANY

Private company wishes to acquire a house building company *preferably operating* in the South and London

Write Box G8796 Financial Times 10 Cannon St, London EC4P 4BY

CONTRACT WORK WANTED

Company specialising in manufacture of precision medical life support equipment to B.S. and DHSS standards, urgently seeks additional assembly or production contracts. Modern 35,000 sq ft factory with facilities for design and production of ultra high quality printed circuitry. Electronic, hydraulic, pneumatic, and audio systems. Sheetmetalwork, s/steel machining, and light fabrications. Anything considered.

Please contact initially
Alan Kenney, tel. 097883 2031

BUILDING PRODUCTS

An expanding group, primarily manufacturing for the building industry wish to acquire companies manufacturing ventilation, heating, plumbing or accoustic products.

Please reply to:
The Commercial Director
Hunter Building Products Ltd
Nathan Way, London SE28 0AE

PRESSWORK & FABRICATION

An Engineering Group in the West Midlands wishes to expand by acquisition its interest in Presswork.

Please reply in the strictest confidence to Box G8791 Financial Times 10 Cannon Street, London EC4P 4BY

We seek to acquire
CONTRACT HIRE COMPANIES

Currently operating car and van fleets in excess of 100 units

Please write in the strictest confidence to:
The Managing Director
COWIE CONTRACT HIRE LTD
Hylton Road, Sunderland
Tel: 0783 44122

PROPERTY COMPANIES WANTED
AGENTS RETAINED

Details to Box G8848 Financial Times 10 Cannon Street, EC4P 4BY

COMPANY WANTED—Established wholesale/manufacturing concern. T/O up to £1½m. Reply in confidence to Box G.8759, Financial Times, 10, Cannon Street, London, EC4P 4BY.

CONFIDENTIAL COMPANY SALES—Contact Midland Counties Transfer, 23 Parade, Leamington Spa on (0926)) 312842.

WANTED
CONSUMER RECEIVABLES

Clients with substantial funds immediately available wisb to acquire portfolios of good quality secured personal loans with repayment periods of up to ten years.

Details in outline only should be sent to:
Mr. A. Milne at Peat Marwick Mitchell & Company Limited
1 Puddle Dock, Blackfriars, London EC4V 3PD

SPECIALIST ENGINEERING COMPANIES

We are a medium sized, long established, specialist engineering company based in the East Midlands. We are seeking expansion, either through purchase or involvement, with small or medium sized companies active in the following areas:

i) Special Purpose machine builders
ii) Equipment distributors
iii) Precision engineers manufacturing proprietary items
iv) Distributors of engineering, electrical or electronic products

This could be of interest to established companies, or larger companies wishing to divest themselves of an unwanted subsidiary. Companies, however, who have potential but lack management or financial resources, or who may be suffering in the present recession, will also be favourably considered. We would normally expect to retain key staff. All replies will be treated in strictest confidence.

Write Box G8798, Financial Times 10 Cannon Street, London EC4P 4BY

LEISURE/HOLIDAY COMPANIES

A rapidly growing diversified group seeks acquisition of private/public company in profitable leisure/holiday business in UK or overseas.

Apply in confidence to: Box G8753, Financial Times 10 Cannon Street, London, EC4P 4BY

WANTED IMMEDIATELY USED TEXTILE MACHINERY

Complete weaving plant Saurer/Ruti/Picanol or any other well known make.
38 Multicoloured looms with dobby width 180 cm or more.
Suitable for suitings and shirtings with all preparatory machines with 3 or 4 Chamber Stonier—in excellent condition.

IMMEDIATE OFFERS TO:
FORDENBECK LTD
200 PORTLAND CRESCENT, STANMORE HA7 1LT, MIDDLESEX

ENGINEERING PRODUCTS WANTED

Industrial Group with companies producing small to medium engineering products (gearboxes, pumps, drives, hydraulics, etc.) primarily for the cleaning surface preparation and anti-pollution field seeks additional products to add to its range. Up to £½ million cash available. Complete existing business, new designs, licence agreement, etc. will be considered for products generally similar with industrial application and market potential both home and overseas.

Principals only write to Managing Director
Box G8801, Financial Times, 10 Cannon Street, London EC4P 4BY

ESSEX BASED LIGHT ENGINEERING COMPANY

is seeking substantial addition to its product range. Present facilities include sheet metal and machinery shop capacity with all related skills. New products with an annual turnover potential of not less than £½m are required.

Propositions in confidence to:
Box G8790, Financial Times 10 Cannon Street, London EC4P 4BY

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Tuesday March 15 1983

North-South adjustments

LIKE a pebble on a glacier, tbe non-aligned world moves slowly, but move it does. At last week's summit in New Delhi, the 99 non-aligned countries gently shifted their stance on both economic and political issues. Without exaggerating the immediate impact of these shifts, the West bas reason to be pleased.

The summit did not abandon the Third World's commitment to a New International Economic Order; but it did abandon aome of the rhetoric and gave more immediate attention to the practical issues of debt, aid, and the contraction of world trade.

In the field of global politics the summit moderated, but did not eliminate the anti-Americanism that has coloured many of the pronouncements made on behalf of the non-aligned movement In recent years. No more was heard in the communiqué of the idea propagated by Cuba that the Soviet Union is the "natural ally" of the Third World.

This change did not go far enough to allow the summit explicitly to condemn the Soviet incursion into Afghanistan; but the demand for a political solution involving the departure of foreign troops is clear enough. Washington fared rather less well, getting bad marks especially for its policies in Central America. Yet the tooe of criticism was less strident than it bas been.

Link

It is not hard to find the link between the greater degree of realism displayed at New Delhi and the allght shift of the non-aligned in the global argument between *Moscow* and *Washington*. Quite simply, Washington and the West—not Moscow—have the resources to help the Third World over its acute economic problems. The West has the markets; it has the wealth and the financial mechanisms to which developing countries staggering under a hurden of debt look for relief.

The nebulous concept of a New International Economic Order, to he achieved hy "global" negotiations, will continue to he pusbed, hut less urgently. When the United Nations Conference on Trade and Development next meets in June in Belgrade, the non-aligned wish it to concentrate rather on specific measures designed to tackle immediate problems in the world's economic and financial aystems.

Aspirations

Even before Belgrade an attempt *is* to set in *motion* to persuade the World Bank and the International Monetary *Fund—which in* effect means the West—to supply a more assured flow of liquidity to debtor nations than provided by tbe 11th-hour restructuring resorted to in cases such as those of Mexico or Brazil.

The West bas already gone some way towards meeting these aspirations by increasing IMF lending capacity and by allowing that institution to take a greater role in helping bankers to assume risks that migbt seem forbidding without IMF help.

But the problems at issue between the West and the non-aligned go deeper than the *immediate issue of debt*. Both sides need to make profound adjustments before they can conduct a constructive dialogue.

In politics that may not be possible or, for that matter, necessary. The non-aligned nations are too amorphous a group for that. Their policies range from the pro-western via the genuinely non-committed to *the pro-Soviet*.

As regards economics and commerce, the South, perbaps not surprisingly, has failed to recognise that the old liberal economic order has served many developing countries well. In spite of the obvious poverty which remains, many developing countries have greatly increased their wealth in the last *20-30 years*.

The greater economic realism shown at New Delhi is welcome. But it needs to be matched by a willingness on the part of the industrial countries to face up to the continuous adjustments whicb the liberal economic order requires. On that front the prospects are a good deal less encouraging.

The road to cashless pay

FEW WOULD dissent from the proposition that too high a proportion of Britain's population is still paid in cash. The Central Policy Review Staff has produced statistics to prove the peculiarity of the Britisb position; the National Economic Development Council has urged a move to cashless pay; and leading trade union leaders favour payment by cheque or credit transfer provided that no element of compulsion is involved.

Now, however, the attempt to hreak down the bias against cashless payment is receiving more tangible support both from hankers and the Government. Yesterday's announcement hy five leading banks that they are to link their cash dispensing systems into a national network is just the latest in a series of moves by clearing banks and huilding societies which will result in the removal of some of the disadvantages of having imperfect access to credit instead of cash.

And last week's consultative document from the Secretary of State for Employment, Mr Norman Tebbit, on the law relating to the payment of wages—still based extensively on the 19th-century Truck Acts —suggests that the Government is wholly committed to smoothing the path towards cashless payment.

Saving

This is, in principle, all to the good. According to Mr Tebbit's consultative document, *most* estimates suggest that switching to cashless pay would cut industry's costs by about £30 a person per year. At first sight, the figure hardly appears striking. Yet with nearly one in two of all employees in Britain taking cash in hand, the aggregate saving is not to be scoffed at. At the same time the scope for robbery and theft can be sharply curtailed when payment is made in the form of mere book entries at the bank.

It would not be surprising if the Government also sees a *more general advantage* in breaking a habit which has much to do with class, particularly in the wake of the miners' rejection of national strike action. The reluctance to follow Mr Scargill to the barricades has been widely attributed to the growth of *middle-class* aspirations among the miners.

A competitive and legislative assault on the great unbanked may *not*, however, bring unmixed benefits. As far as the banks and building societies are concerned, technology in cash dispensing is one of the forces working towards the erosion of barriers between the two sectors. The consumer has benefited *from this* competitive process, in that the clearing banks have been forced to reconsider their position on Saturday opening. But competition has also brought the 50 pence charge for cashing cheques at Barclays and Midland for those who bank at National Westminster and Lloyds.

Reallocation

Another advance that the building societies have belped prompt — interest-bearing current accounts — could well result in some reallocation of costs and rewards between saver and borrower. Unbundling the package of services offered by the clearing banks may *not* make banking cheaper, in the broadest sense.

Scrapping the Truck Acts, wbich were designed to prevent arbitrary deductions from pay in *exchange for goods* and services supplied by the employer, might appear at first sight to present less equivocal advantages. Yet here, too, the option of outright repeal of the legislation to remove anachronistic restrictions could have unwanted side-effects.

The fact that employees of Clarks, the Somerset shoe *manufacturer*, bave been planning to use the legislation to oppose a cut in their inflation-linked pay rise in return for improved sickness benefit indicates that the legislation may not be quite as anachronistic as Mr Tebbit's paper argues.

Temptation

With the British trade union movement going through its weakest period since the war, there is bound to be a temptation for the Government to steamroller its way towards a system of cashless pay. The temptation towards compulsion *should* nonetheless be resisted on the ground of simple justice. As for the banks and building societies, deregulation is something to be approached with due care. The consumer bas long deserved a better deal from bankers—but competition in banking has not always produced the results for the consumer that its advocates expected.

LONDON OIL DEAL

Opec on a hiding to nothing

By Ray Dafter, Energy Editor

MINISTERS of the Organisation of Petroleum Exporting Countries (Opec) should keep their bags packed. It may not be long before oil market pressures force them to meet again to re-assess their new found pricing and production *package*.

The best that can be said about the agreement — based on a reference price of $29 a barrel and a production ceiling of 17.5m barrels a day — is that it is "fragile". In fact there are many industry analysts who feel that, in current market conditions, the figures could turn out to be more or less *irrelevant*.

Pressure from the spot market and the worldwide refinery industry seems to suggest that Opec should have cut prices by $6 a barrel *rather* than the $5 now planned and thus set a reference price *for Arabian light crude* nearer $28 a barrel.

And a crude oil production ceiling of 16m b/d might have been more realistic given the present depressed state of oil demand. After all, in recent weeks Opec output has been pushed down as far as *13m* b/d.

But Opec has been on a hiding to nothing.

Its 13 members could have played safe and opted for a mere *trimming* of price and production levels. Yet having

Still considerable scope for de-stocking

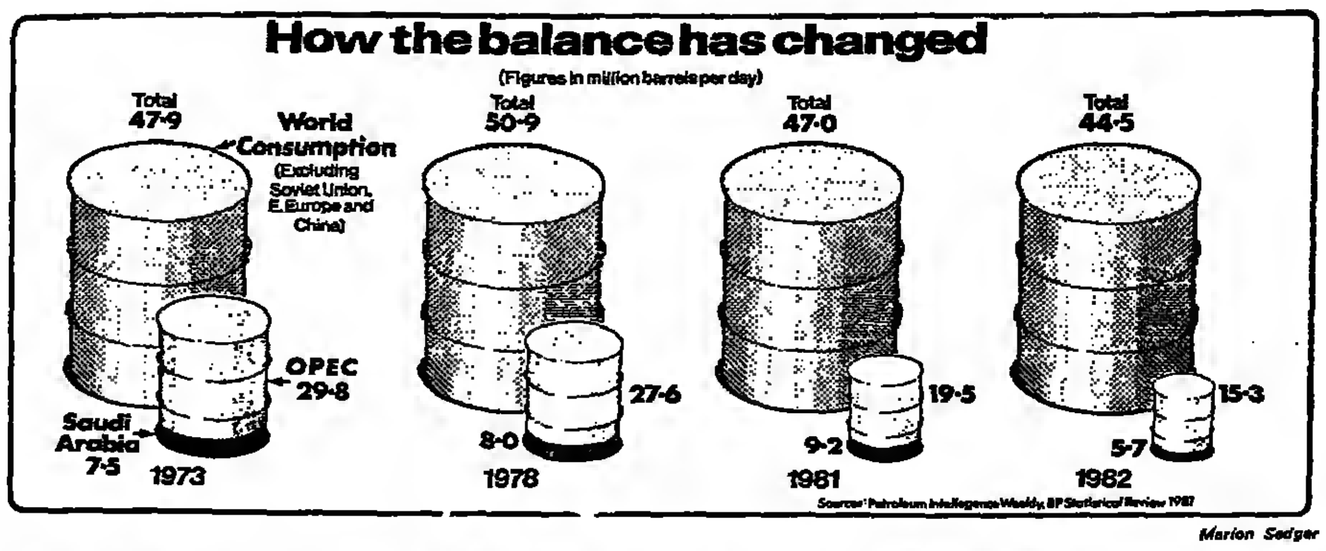
already lost control of the oil market, the Organisation would then have suffered the humiliation of being totally ignored.

On the other hand Opec would have been disbelieved if it had emerged from the *London* talks with an announcement of a production ceiling much lower than 17.5m b/d. The economic hardship—and in some cases, belligerency—of member countries already raises questions about the Organisation's ability to make even *the present ceiling stick*.

So, on balance, the package that has emerged from Opec is about as much as the oil industry could have hoped for. What is more, there are very few in the oil market willing deliberately to sabotage it. As a leading London trader commented last night: "We are fed up with the uncertainty. The market has been reacting emotionally."

It will be several days, perhaps weeks, before the industry can assess the real impact of Opec's actions. Much will depend on the members' willingness to accept immediately production cuts even more stringent than those implied by the 17.5m b/d ceiling in order to restore the market to balance.

Worldwide demand for Opec's crude oil is unlikely to be much above 16m b/d in the second quarter, very little different



Marion Sedger

from the average in the first three months of this year. However, supply and demand forecasts by the International Energy Agency suggest that there could be a marked increase in demand towards the end of the year.

The Indeed, the IEA projections show, rather neatly, that for the year as a whole Opec may need to produce an average of 17.5m b/d to maintain a market balance.

However, the year is strewn with uncertainties. According to the IEA, total oil demand in non-Communist countries is expected to average 44.7m b/d this year, about 2 per cent lower than in 1982. In the past few years the Agency has repeatedly underestimated the impact of recession and conservation on worldwide oil demand. So the market for oil in 1983 could turn out to he even lower.

On the supply side there are a whole bost of problems confronting Opec. In the past few weeks the Organisation bas felt the full impact of widespread de-stocking on the part of oil companies. *Realising* that prices were about to fall further, companies bave been reducing stocks at the rate of 4.5m to 5m b/d, well above the historic level of inventory adjustment. Opec production has been hit accordingly.

Normally companies being rebuilding their stocks in tbe April-June quarter. Whether they do so this year will largely depend on their perception of future oil prices. There is still considerable scope for de-stocking.

The IEA estimates that companies and governments are now carrying the equivalent of 102 days of forward *supplies* in land-based stocks. This compares with 101 days for 1981 and 1982 as a whole and just 83 days in 1979. Under European Economic Community rules, member countries must carry the equivalent of 90 days of estimated forward consumption while IEA rules impose a minimum stock level of 90 days *of estimated forward imports*.

Then there is the question of increasing supplies from countries outside Opec. A few *years* ago the U.S. Central Intelligence Agency forecast that by now the Soviet Union would be importing crude from the West but, quite to the contrary, Soviet net exports are increasing.

In its quest for hard currency in the *face* of *falling energy* prices, the Soviet Union has boosted its net exports of oil to about 1.5m b/d as against 1.3m b/d this time last year and 1.1m b/d in 1981.

Countries like the UK and Mexico have also been *increasing their* output and net exports with the result that this year non-Opec production is expected to average 23m b/d compared with 22.2m b/d in 1982 and 21.3m b/d in 1981. Last month the three North Sea producers —the UK, Norway and Denmark—supplied a record 3m b/d to the world market.

Mr Nigel Lawson, Energy Secretary, proffered a *small* olive branch to Opec ministers on Friday when be said it was unlikely that the UK sector of the North Sea would produce at a faster rate in 1983 than it did in 1982. But be emphasised that the production level would be dictated by the industry's development plans; not by any Government-imposed depletion control.

Throughout tha past fortnight Mr Lawson bas resisted pressure from Opec ministers anxious to see the UK drawn into a pricing and production pact. Extolling the virtues of the market place on the one hand Mr Lawson has *also gone* out of his way to oppose the concept of an "exaggerated" fall in prices.

Mr Lawson won't admit it, but he has found the presence of the Opec ministers in London an embarrassment. For he is uncomfortably aware that while the UK needs to support a relatively high (say at least $25 a barrel) and stable price regime in the interest of its budgetary needs and future North Sea development, its oil industry may be responsible for collapsing the whole pack of cards.

This became obvious late last week when British Petroleum *took the unprecedented step* of commenting on the Opec proceedings. Tbe company, said, in effect, that the Organisation's pricing deal could well fall apart because it was based on an incorrect formula. Its remarks were largely aimed at Nigeria which *insisted* on setting a price of $30 a barrel, just $1 above the Saudi reference *level*. BP *argued* that Nigeria's high quality oil should be at least $2.25 more expensive than Saudi crude.

Analysts set out in search of Machiavellian plots. One *theory* doing the rounds in the oil market was that BP had been put up to making the statement by Saudi Arabia. It was known that Saudi Arabia wanted *a* bigger differential between the price of its crude and Nigerian oil. It was also known that BP was seeking exploration interests in Saudi Arabia.

All this was denied by BP. The company indicated that it was concerned that the Opec *price agreement would be* announced and accepted by the world-at-large without full consideration of the implications.

The lines are drawn for a pricing battle

A major implication in this case is that North Sea prices could be left *high* and dry. BP argues, on the grounds of oil quality, that North Sea crude should be priced 75 cents to $1 a barrel less than Nigerian crude; in other words at about $29 a barrel.

However, the proposal from British National Oil Corporation —the leading trader of UK crude—before producers and buyers of North Sea oil is that the reference price should be *$30.50*. It seems unlikely that BNOC can make that price stick. On the other hand Nigeria has warned that it will match any future price cut in the North Sea.

The lines are thus drawn for a pricing battle—one that could eventually undermine all of Opec's efforts. A way out of this dilemma can be found, but it would need Nigeria's acceptance of a North Sea price of around $29.50-$30 a barrel.

Even then, with so much uncertainty surrounding spot market activities, oil stock management and Opec's adherence *to production quotas*, it remains questionable whether exporters can prevent prices being eroded further.

THE PRESSURES BEHIND THE AGREEMENT

FEARS OF a *catastrophic* fall in oil prices have concentrated the collective mind of Opec wonderfully.

The pricing and production sharing deal put together in London after two painful months of negotiations means *that* the common interests of Opec members have prevailed — at least for the moment — over the basic political tensions within the Organisation and individual members' wishes to get the best possible deal for themselves.

Yet the cohesion now achieved could prove short-lived if the London agreement comes under strong market pressures.

The fundamental difficulty in reaching an agreement has been how to apportion among member states the shares in a much smaller financial cake, *given* lower *demand* for Opec oil and weak prices.

Opec first patched together a pricing and production *agreement in Vienna a year* ago. But that rapidly fell apart, in considerable measure because revolutionary Iran and maverick Libya—hostile to Saudi Arabia and other conservative producers of the Gulf—*refused to comply*.

Iran, fighting a war with Iraq, and facing a revenue shortfall, disregarded the quota assigned to it from the start.

So when Mr Mohammed Gharazi, the Iranian Oil Minister, arrived in London for this month's meeting and made some characteristically pugnacious demands of fellow members, the auguries for a successful outcome seemed poor.

In the event, however, Mr *Gharazi surprised* fellow delegates by his pragmatism. Despite the Iranian regime's *ideological fervour*, Mr Gharazi was quite as aware as any of the other ministers of the gravity of the threat to *his nation from tumbling* oil prices.

As for Libya, its chief delegate, Mr Kemal Maghour, played an important role in consultations, particularly in liasing with Iran.

The Arab producers of the Gulf had no doubt of his commitment to bringing about a compromise. They were also reassured hy reports that Libya had begun *to curtail discounts which it* began to use as a means of boosting output late last summer.

Demands by Saudi Arabia, and *to* a lesser extent the United Arab Emirates, for particular production quotas turned out to be as big an obstacle to an agreement as Iranian intransigence. The Saudi and UAE demands were regarded as *excessive* by nearly all other members.

Ironically, Saudi Arabia and the *UAE*, normally the *closest of Opec allies, found* themselves spoiling over production shares.

The Nigerian delegation was given no scope for manoeuvre by *its* Government, which faces an election this year and for internal political reasons was not prepared to compromise on the *price set for Nigerian oil* last month ahead of the Opec meeting. Similarly, Venezuela, *which also faces* an election this year, would not negotiate on its minimum production quota.

Despite all these potential stumbling blocks, a concern to obtain the best possible communal deal appears to have gained the ascendancy over political rivalries and economic self-interest for the moment, though no doubt Opec will continue to face strong internal strains in the coming months.

Richard Johns

Men & Matters

Day on the bridge

A change of style is promised for British Shipbuilders, the nationalised concern now struggling to stay afloat in the world shipping crisis.

Graham Day, a 49-year-old former lawyer with an open and affable manner is returning from Canada for a second crack at *running* the industry. *His* first attempt fell victim to delays in getting the nationalisation of shipbuilding through Parliament.

Day, who has dual Canadian and British nationality, once ran the Cammell Laird yard on Merseyside. He is replacing Sir Robert Atkinson, aged 67, who will step down from the BS chair in September, four months before bis contract expires.

Atkinson is an admitted disciplinarian who exacts firm standards of performance and behaviour from bis managers. Occasionally this has led to strained relations. He indicated late last year that he did not want a second term.

Day's father was an Englishman who emigrated to Canada in the 1920s. He has positive views about Britain and was known at Cammell Laird for bis eagerness to cut out boardroom stuffiness.

He used to start work at Lairds with the yard at 7.30 am. Once he caused raised eyebrows by choosing a woman cleaning supervisor to launch a ship instead of a VIP or owner's wife.

At BS the problem will be to have any ships for launching at all as current order books dwindle. Day's £80,000 a year salary, far higher than any other nationalised industry bosses', is going to be hard-earned.

Zero option

There are more ways than one of cutting the money supply to make inflation manageable.

Argentina plans later this year to lop four noughts off its currency—thus making one new peso out of 10,000 of the present ones. Compared with 1969, the new peso will he worth a million; the Argentines dropped a couple of noughts in that year as well.

Whatever else it achieves, the move should at least bring the peso coins back into circulation. Under the *impact of a 400 per* cent inflation rate, even the shiny, yellow 100-peso coin has become *useless* for anything but throwing at soccer referees.

Thirty of the coins would be needed to make a local telephone call; 130 to park a car on a meter for an hour. And the coins have been replaced for such purposes by tokens *sold at newspaper kiosks*.

Until recently, the coins were in demand to make up the odd *300* pesos for the minimum Buenos Aires hus-fare of 6,300. But bus fares have now been raised again; the cheapest is 7,000 pesos.

Commercial union

The star guest was on his feet after lunching rather too well with a leading U.S. tractor firm.

He launched into a word picture of the chief executive. "The more I see of him the more I admire his enterprise, singleness of purpose, self-sacrifice, and dedication—in marrying the boss's daughter.

Key note

While Sir Geoffrey Howe and top Treasury officials have been *arguing about the odd billion* pounds of tax and expenditure in preparation for today's Budget, lowlier minds have been exercised hy an even more vital question: "Will the Chancellor be able to get the despatch box open?"

The *familiar* battered red box is showing signs of its age, baving seen regular service since the early 1860s wben Gladstone "was accustomed to hug it to his breast with a kind of affectionate yearning suggesting the love of a mother for an infant."

James *Callaghan*, in *fact*, broke with tradition in 1965 in favour of a newer red box. But Sir Geoffrey has reverted to the old—only to find at a Press call last week that the ancient catch naw requires more digital atimulous than he can easily apply to open it.

Since then, Treasury technicians have been busy oiling the works. One anxious George Street denizen commented: "I hope they haven't overdone it, *and that it* doesn't fall open *on* the ateps of Number 11."

Better that, perhaps, than Sir Geoffrey opening his Commons speech this afternoon: "With permission, Mr Speaker . . . is there a locksmith in the House?"

Invisible man

Those in the City of London who *are accepting* the appointment of William Mackworth Young, aged 56, to the chairmanship of the Committee on Invisible Exports as just another unremarkable move in the endless game of musical chairs are in for a surprise.

At merchant banker Morgan Grenfell, where be has been chairman for three years and chief executive for five years previously, I found him hreathing fire.

"The whole British business in 'invisibles' has to be atepped up remarkably in the next two or three years . . . recently our real trading position in manufacturing and services has been comfortably masked hy the oil account . . . the reality is that the manufacturing account is worse than for the last 150 years . . . the obfuscation of the figures hy oil is a factor which will inevitably diminish . . . and the slack will have to be taken up by our invisibles."

Total receipts last year from Britain's exported invisible services, including banking, insurance, and shipping, amounted to more than £17bn. And tha invisibles balance of trade was a healthy £5bn-plus on the credit side.

Mackworth-Young intends to step up tbe committee's overseas missions programme as a first move to build the invisibles sector to new record levels. He says "We bave got to learn from the cunning Swiss."

Speak up

Speak up if you want to get on: that is Verity Lambert's advice to women keen to carve out careers. "Almost every job I've ever had I have asked for," sbe said yesterday wben she was presented with the Business-woman of the Year award in London.

Verity Lambert was a secretary at a television company wben sbe decided to speak up in her early twenties. At 27, she found herself the BBC's youngest producer when sbe *launched* wbat *was* to *become* something of a national institution — the Dr Who series.

Now, at 46, she is director of production at EMI Films and chief executive of Euston Films. Her own progress above and beyond the male competition to the top of the film and television business might be said to carry a cheering message for other ambitious women. But she is not herself convinced.

"Women *still* have to be exceptional to get on," she says. She argues a case for a career structure to be created for women in the same way as one exists for men.

Quick run-down

Streaking is . . . indecent haste.

Observer

Letters to the Editor

Parliament, the Revenue and interpretation of legislation

From Mr E. Henbrey

Sir,—Like Mr H. R. Roe (March 10), I was pleased to see Lex's (March 3) reference to the proposed legislation on tax havens.

Lex focused his comment on the "dividend trap" holding company, which is, indeed, one of the major concerns. It is, however, not the only concern. Much more important is the overall implication of these proposals on the competitiveness of UK companies seeking to trade overseas. A consideration touched upon by Lex, but only in the context of double tax relief.

It was particularly interesting to read, in the same edition as carried Mr Roe's letter, the report of U.S. plans for tax changes for exporters. For some time the U.S. has been under pressure to abandon its existing system of tax incentives for U.S. exporters. How instructive it is, in the context of the present UK proposals, that the U.S. proposes to enable U.S. companies to establish foreign trading companies outside the U.S. to handle export transactions and to allocate a proper measure of the overall profit to those foreign subsidiaries. The report does not specify, but the clear implication is (and I assume this will be borne out by a detailed study in due course) that the profits allocated to the foreign subsidiaries will be free of U.S. corporation tax until such time as they are remitted by way of dividend to the U.S. parent company.

Contrast this with the comments on page 14 of the Inland Revenue proposals issued last December.

These comments formed part of the justification for the proposals put out by the Inland Revenue with ministerial support. They are symptomatic of the impression given by a detailed study of the draft legislation that we are still a long way from the reasonable approach to this matter suggested by the Minister of State in his foreword, and a long way from recognising how damaging a hostile tax regime can be to the enthusiasm of UK companies for developing their overseas business. The Inland Revenue has been happy to call in aid the U.S. precedent for tax haven legislation. Let it and Ministers heed also this evidence that the U.S. understands the importance to its international trade of a beneficial tax regime.

E. J. Henbrey.
40, Corringway,
Ealing W5.

An aerial view of Somerset House

From Mr I. Barnett

Sir, — Like Mr Roe (March 10) I welcomed the articles which have appeared recently on the subject of tax havens, notably those by David Freud and Lex (March 3) and by Tony Hughes (March 4).

The proposed legislation does require widespread consideration, especially as a charge will be *levied on UK-based groups* which has to be paid out of income which, by definition, has not been received.

The major problem is that the clauses go much further than the introduction to the proposed legislation would lead one to expect. In the introductory remarks made by the Minister of State, no express reference is made to the entirely novel principle of taxing a company in the UK on income which has been generated entirely abroad and which has not in any sense been diverted from the UK. It is only much later that it is admitted that the Government "proposes a tax charge which, in principle, could apply to any UK-controlled overseas company subject to a low level of taxation." One might have thought that such a sweeping innovation would have merited consideration as a starting point, especially as the Government accepts that this very matter of principle has been put to it. The point is that even if the final impact of this particular proposal is acceptable because of the exclusion tests (and that is not generally accepted) the principle itself could lead to the subsequent introduction of other, far less well-argued, legislation.

Most of the current arguments about the proposals, such as the particular case argued fairly by Mr Roe, would not arise if the legislation had set out in the clauses the specific problems which they say existed, and charged those activities to the extent that UK tax had been avoided — but no further. This is the normal way in which anti-avoidance legislation has been drawn up in this country, and would have allowed a consensus to have been achieved more readily.

Like Mr Roe, I think that the Government should think again about the implications of its policy.

I. D. Barnett.
6, The Precincts,
Burnham, Bucks.

From Mr H. Wiggin

Sir,—Mr Tallon (March 5) hits the nail squarely on the head.

My criticism was not directed at Revenue counsel, who was merely carrying out his task. I was, and still am, critical of those in charge of Revenue policy, who pre-empted the courts' interpretation of the statute by permitting counsel to base his case on a proposition which, though legally correct, nevertheless had the effect of mis-stating the true intention of the legislature.

The Revenue (an institution with continuity of responsibility and not merely a platform for the individual views of its officers) had, in 1965, via the brief it provided for the sponsoring Minister, previously advanced entirely opposite views as to the effect of the section. Any suggestion, therefore, that settlors or their advisers were aware, after 1965, of the unintended effects of the section which the Revenue has now procured the House of Lords to decide, is plainly absurd. I therefore call in question the morality of the Revenue in having sought that result.

If the Revenue was confident in 1978 that objects of a discretionary trust were within the tax charge, notwithstanding its view to the contrary in 1965, how could it have believed that the legislation was not defective as Mr Nugee (March 1) claims?

Mr Nugee is incorrect in speculating that I would like the Revenue to issue an extra-statutory concession. On the contrary, I believe strongly that the only way Parliament can reassert its own legislative prerogative and avert the injustice which would otherwise result from the conduct of the Revenue in this matter, is by legislation.

This would have the added advantage of enabling the House of Commons to look closely into what has actually occurred, without the inhibitions about consulting Hansard adopted by the courts.

H. W. Wiggin
The Quadrangle,
Imperial Square,
Cheltenham, Glos.

From Mr G. Pinto

Sir,—Mr E. Nugee's arguments (March 1) depend on the principle that the courts should only look at the statutes in order to determine what Parliament intended and that they must ignore what is reported in Hansard. Unfortunately, this principle does not permit the courts to have regard to the doctrine of misrepresentation, innocent or otherwise, and to consider what ministerial statements (often based on the advice of the Revenue) induced Parliament to enact the legislation.

It would therefore be fair and honourable for the Revenue to be required to consult Parliament before giving effect to an interpretation of legislation more onerous for taxpayers than the one represented to Parliament by Ministers. Parliament should then have the choice of confirming the new interpretation—perhaps by a simplified parliamentary procedure — or, alternatively, of giving proper effect to the original intention. In the former case, Parliament's decision should not become effective before the date of the Revenue's notification to Parliament (and the original intention should be confirmed until then). In the latter case, the original intention should be declared always to have had effect.

No new procedure is needed for the reverse case since Ministers already have the right at any time to request Parliament to tighten legislation which has proved less onerous to taxpayers than had been intended when it was enacted.

Not only would this treatment be fair and honourable, but it would avoid the odium incurred by the Revenue every time it persuades *the courts* that a statute does not have the meaning attributed to it by Ministers when Parliament agreed to enact it.

G. R. Pinto,
7 Lennox Gardens Mews, SW1.

From Erica Stary

Sir,—Since the courts will not, for good reason, look at Hansard, surely it is incumbent upon a government department, having advised Ministers and hence Parliament that an amendment to a Bill achieves a given purpose, to instruct its counsel that no argument to the contrary may be advanced in court?

There is clearly no criticism of Mr Nugee (March 1) for putting forward the winning argument, but what is open to criticism is that he was not instructed that the argument was not to be put forward.

The result may be, as Mr Nugee suggests, that the Revenue would be refraining from collecting tax which was legally payable; but I find this preferable to the unedifying spectacle of the Revenue telling Ministers how to amend the law on one day and then arguing in court on the next that their advice was wrong.

Erica F. M. Stary.
Woodthorpe,
Hamm Court,
Weybridge, Surrey.

From the Chairman, Inland Revenue.

Sir,—Mr Gower (March 10) says he has seen cases where Inland Revenue officers have failed to distinguish between what he describes as legitimate tax planning and tax evasion. He is right in supposing that there has been no policy decision in this direction, and I should be very glad if he or any other of your readers would give me details of any case where it is thought that my staff have failed to draw the distinction.

(Sir) Lawrence Airey.
Somerset House, WC2.

Company pension schemes, early leavers, annuities

From Mr R. Baker

Sir,—I refer to all that has recently been published in your newspaper concerning the rights of the early leaver from a company pension scheme. One relatively straightforward remedy has not been mentioned.

At present, the leaver with under five years' service in an approved pension scheme has the choice of his own money back (less 10 per cent tax and some additional national insurance contributions) or a deferred pension or a transfer value to another approved scheme. The deferred pension is not usually worth much so that one of the other options is chosen. The transfer value in the case of young early leavers would be worth rather less on ultimate retirement than an option to transfer the cash refund to the general retirement annuity business (22b business) of a leading insurance company. This last option is not, however, open. I cannot understand why not. The Government is prepared to allow an individual to get cash at a substantial tax discount by refunding the individual's contributions and only clawing back a proportion of the tax relief. The individual cannot, however, apply that cash for his retirement.

What I am proposing is that the contributions made by an individual to an approved pension scheme should be capable of transfer (without clawback or additional tax relief, as full relief on them has already been obtained) to an approved retirement annuity contract. This would discharge both the fund's liability to the early leaver and the individual's responsibility to provide adequately for his retirement.

It would appear that only minor technical amendments to the definition of "relevant earnings" in the Taxes Act would be required and certain mechanical safeguards to prevent abuse. Some attention to the approval code might also be required.

A similar measure with regard to the disposal of transfer values for early leavers with more (or less) than five years' service might dispense altogether with the need for long debate and a complete new scheme.

Roland Baker.
33, Hazelfoot,
Letchworth, Herts.

From the President, Society of Pension Consultants

Sir,—I refer to Mr Pilch's letter (March 4) in response to mine of March 2.

Far from taking issue with him I agree entirely with what he says. He has expanded in more detail the way in which, in practice, the redistribution of resources would work—or rather would fail to work. It was for these reasons that I suggested such a move would be very unpopular with older employees who obviously would fail to realise their present final salary expectations if resources were diverted from them to younger members.

I repeat that any initiative to improve the lot of the leaver which does not entail finding additional resources can only be at the expense of the stayer. If this is what public opinion really wants (which is questionable) there are ways of achieving it within the existing framework.

D. J. D. McLeish,
The Society of Pension Consultants, Ludgate House, Ludgate Circus, EC4.

From Mr A. Smallbone

Sir,—Mr McLeish (March 2) suggests that the lot of the pension leaver—a convenient euphemism for those made redundant—can only be improved by finding additional resources or at the expense of the stayer by redistribution, but makes no mention of the other kind of "redistribution," operated on a grand scale by employers to benefit themselves at the expense of their erstwhile employees.

Take the case of Snooks who retired last week at 65 with a pension of 20/60ths of £12,000 from his last employer and 20/60ths of £3,000 from his earlier employer, having been declared redundant by them at age 45 after 20 years' service. When that happened the first employer's fund actuary calculated that it would require a capital sum of £2½x to sustain this pension, in 20 years' time, and that allowing for compound growth at 5 per cent annual, the fund would be solvent if there were £x available in 1963, found half from Snooks' own contributions and half from those of his first employer. If it transpired, as a result of inflation, that a higher rate of compound interest could be achieved, say 7½ per cent, the original £x would have grown to £4¼x in 20 years and, because of higher interest rates, a rather smaller capital sum than £2½x, say £2¼x, would be all that was needed to sustain Snooks' frozen pension, which therefore could be found entirely from the fruits of his own contributions. Every penny of benefit deriving from the employers' contributions would remain within the fund, reducing their obligations with respect to remaining employees.

But for inflation there would be no opportunity for this type of redistribution, the employers' contributions and the investment return upon them would have been needed to sustain Snooks' pension. It is surely high time that such bodies as the Society of Pension Consultants made constructive suggestions to curtail this re-cycling practice, and ensure that "leavers" are treated with rather more regard to the fundamental insurance principle of utmost good faith.

Alan Smallbone,
30 Temple Fortune Lane, NW11

Innsinuendoes and CND

From the General Secretary, Campaign for Nuclear Disarmament

Sir,—On February 26 you published a letter by Robin Bruce Lockhart on the subject of CND, which was itself a response to Ian Hargreaves' thoughtful article of February 19.

I object very strongly to the tenor of Mr Lockhart's letter. It was the classic smear. CND has in the last two years been accused of almost every sin in the book on the basis of innuendo and guilt by association. All that is always missing is fact. Mr Lockhart lives in a delightfully uncomplicated world of the Good and the Evil. The real world is rather different. Perhaps he can explain the bitter attack made on the organisers of the forthcoming Berlin disarmament convention (and CND is one of them) by the Soviet Peace Committee last December. Ventriloquists don't usually start to abuse their dummies!

(Monsignor) Bruce Kent.
11, Goodwin Street, N4.

Contingent liabilities

From Mr J. Beeching

Sir,—How many manufacturing companies would still be solvent if redundancy costs were to be legally included as contingent liabilities. Surely these must be taken into account when assessing net worth?

J. M. Beeching.
1 Oakdale Court,
Downend, Bristol.

The U.S. Economy

A lop-sided recovery

By Samuel Brittan

THIS IS the second time that a visit to the U.S. has produced a feeling of *deja vu*. Five years ago President Carter was engaged in a "dash for growth" strikingly similar to that of the Heath Government in the early 1970s. Inflation was building up and the dollar weak; and by the end of 1978 the Carter Administration had, as some foretold, switched to a policy of fiscal and monetary restraint, which gave priority to curtailing inflation.

Today the U.S. symptoms are again reminiscent of Britain's. As in Britain the squeeze on demand has been much sharper than intended; and inflation has fallen faster and output is lower than expected. As in Britain, the severity of the squeeze has come from a fall in velocity. Monetary growth has not been particularly tight in either country. The severity of the recession was associated in both countries with a rise in the real exchange rate. Some Fed estimates attribute between a third and a half of last year's fall in U.S. output to the rise of the dollar. But in contrast to the UK, the real exchange rate, despite some fallback in the last few months, still remains very high.

Another contrast to Britain is that forecasts of economic recovery are more buoyant, despite the high level of the dollar. The upturn is coming from inventory rebuilding, consumer spending and construction. The Council of Economic Advisers' forecast of 3 per cent growth (fourth quarter of 1983 over fourth quarter of 1982) was deliberately biased towards the cautionary end of the range. Professor Martin Feldstein, the CEA chairman, now expects growth to be higher, although he still warns against over-optimism on the basis of a few weeks of good figures since the New Year.

Prof Martin Feldstein, chairman of the U.S. Council of Economic Advisers, is more optimistic than he was, although he warns against relying on a few weeks of good figures since the New Year

There are dissentients on either side of the CEA view. The technical monetarists regard 5 per cent as a minimum and talk of 6 or 7 per cent growth or even more—which if it occurred would indeed be too rapid and reignite inflation. They base themselves of course on the above target growth of the monetary aggregates especially the narrow one, M1, which has been growing by 10 to 15 per cent per annum since the fall, depending on where one takes the base line.

On the other hand, many in the New York financial community fear that growth may be less than officially forecast, especially towards the end of the year, unless policies become more stimulatory. There are also plenty of pessimistic industrialists who cannot see "where the upturn is to come from." New York scepticism is also based on suspicion of the inventory element in the upturn which may peter out. *Real interest* rates are regarded as still high. A business paying the base rate of 10½ per cent and not having profits to offset against tax will be paying a real interest rate of over 6 per cent. For the underlying inflation rate is now generally put at 4 per cent, taking wage settlements and productivity together. As in Britain, the recession has produced something of a productivity miracle. But I suspect it is the international debt crisis which worries financial opinion more than everything else.

I must, however, report that none of the many schemes for buying LDC debts from the banks at a discount and converting them into long-term fixed interest securities find any favour among either the U.S. Administration or the Fed or the highest levels of the IMF. Not even in the State Department or the New York Fed did I find a glimmer of sympathy for these schemes—instead I heard much on their fundamental superficiality (if not their superficial profundity). The one piece of "give" which I found was a recognition that a fall in the price of oil would be treated as an outside shock beyond the control of governments such as Mexico's; and it will be met with increased IMF and other official lending without demands for further belt-tightening.

My temperamental inclination to agree with my hosts on debt reconstruction was tempered by the knowledge that the present case-by-case approach was forcing a reluctant Mrs Thatcher to approve British lending to the Argentine in the supposed needs of world financial stability. Some New York merchant bankers have been so alarmed by the lack of official U.S. interest in debt reconstruction that they have personally begged the British Prime Minister to take a lead on the issue at the Williamsburg Summit in May.

On the international financial front proper, the one move being actively studied is IMF borrowing from the capital markets to tide the Fund through until 1984 when the quota increases are likely to be operative. The first hope, however, is that Saudi Arabia will lend directly SDR 4bn to the Fund, as on previous occasions, and Japan and Germany will top it up. Even if that fails, the IMF will prefer to tap the capital markets through the BIS and will borrow directly only as a last resort.

It is, however, necessary to come back to the U.S. economy: for it is on the prospects of annual world growth of about 3 per cent from now on that the hopes of avoiding drastic or emergency action on internation debts depend.

The Fed is in a genuine quandary; as it does not know whether velocity will continue falling, stay put, or resume its earlier trend rise. Mr Volcker and his colleagues would like to reduce monetary growth and will resist any active steps to reduce interest rates until this happens. On the other hand, they are still too afraid of the fragility of the recovery to reduce the supply of reserves to the banks, to the point where interest rates may rise. It is no accident that short-term rates related to the Federal Funds rate have been in the 8 to 9 per cent bracket for some time.

If the exact extent of the U.S. recovery is uncertain, its lop-sided nature is clear. Because of the overvaluation of the dollar and still relatively high level of interest rates, the recovery has no net export component and is weak on the investment side. The strength of the dollar has been superimposed on a long-term decline in the international competitiveness of steel, autos and other heavy industries, where the comparative advantage is shifting to the NICs. These are also the heavily unionised sectors, where real wages—despite recent union offers of reductions (labelled givebacks)—are furthest above market-clearing levels.

Predictably, there have been calls for an industrial policy in emulation of Japan—which are a thinly-veiled plea for back-door protectionism—and for the setting up of tripartite bodies of industry, unions and government, which would involve pushing unionism into the many areas of the U.S. economy now free of it. This is a platform which most Democrat leaders have embraced but with potential appeal to some business leaders.

Yet there is a perverse equilibrium. A large budget deficit, combined with a counter-inflationary monetary policy, is keeping real interest rates up and pulling in capital from overseas. This helps to finance the deficit, and enables overseas payments to balance with a rising trade deficit. Investment, needed to increase potential output and employment, is however, inhibited. Thus the message of Professor Feldstein's Economic Report, in the international as well as the domestic section, is: Get the budget deficit down at all costs. But this will not happen quickly and the "structural" component is likely to deteriorate before it improves.

FINANCIAL TIMES
Tuesday March 15 1983

Bonn to push plan for steel industry

By James Buchan in Bonn

THE BONN Government is staging a major conference of the West German steel producers and other steel interests in an effort to push forward the restructuring of the industry in the face of disagreements between two of the main companies.

The Economics Ministry said yesterday that it hoped to bring together by the end of this week or early next week the producers and representatives of the regional governments as well as the unions and steel consumers to work out a "raw concept" to rationalise the badly troubled industry.

A plan put forward in January by three independent experts or "moderators," envisaging the creation of two main steelmaking groups, has run into difficulties because Hoesch, the centre of the proposed "Ruhr group" alongside Kloeckner-Werke and Salzgitter, has refused to examine further merger possibilities with Kloeckner.

The ministry says it is not in any way committed to the letter of the moderators' plan and will seek to build on progress already made in the talks between the companies. Thyssen and Krupp, the companies to form the counterbalancing "Rhine group," are the furthest advanced in their talks, although there remain considerable differences over the relative weight of each company in the group.

Hoesch and Salzgitter are also ready to pursue merger possibilities between themselves. The key question is whether Kloeckner, which has been hard hit by the steel crisis, is in a position to go it alone as the company claimed after the Hoesch rejection.

Midland Bank hires German executive

By Alan Friedman in London

MIDLAND BANK, Britain's third largest in terms of assets, has appointed Herr Ernst Brutsche, a Düsseldorf-based senior partner in the Trinkhaus & Burkhardt Bank, as its first ever chief executive in charge of group treasury operations.

This marks a continuation of Midland's recent effort to strengthen its management by recruiting senior executives from outside the bank.

Trinkhaus & Burkhardt is West Germany's largest private bank, with assets of DM 5.1bn, and it is 91.6 per cent owned by Midland. Herr Brutsche has been the chief operating officer of Trinkhaus for more than two years. He served previously as a New York-based senior vice-president of Citibank, in charge of U.S. and Canadian treasury functions.

Midland is creating a new post for Herr Brutsche and is appointing him to its eight-member executive committee. He will report directly to Mr Geoffrey Taylor, Midland chief executive, and is expected to work closely with Mr Michael Julien, who is to become Midland's new group finance director and a member of the main board of the bank.

Like Mr Julien, who was plucked from his positions as finance director of BICC, the UK electrical group, Herr Brutsche is likely to join the Midland main board in the future.

Mr Kenneth Cox, at present the senior general manager in charge of Midland treasury operations, has been assigned to another senior general manager's post, in charge of the bank's credit function in the UK banking sector. In future, the bank's chief treasury head will no longer be a senior general managership and it is understood the job is being upgraded.

Soviets to study reforms in other Comecon states

BY ANTHONY ROBINSON IN MOSCOW

A THINK TANK headed by Mr Nikolai Baibakov, chairman of the state planning board Gosplan, has been set up to evaluate the relevance to the Soviet Union of economic reforms already introduced in various east European members of Comecon.

This was revealed yesterday in a Pravda article by a leading Soviet economist, Mr Oleg Bogomolov. He indicated that the Bulgarian system of agro-industrial complexes, the East German system of industrial combines and the price and managerial flexibility of the Hungarian "new economic mechanism" all deserved careful study before being applied to the different national conditions of the Soviet economy.

Mr Bogomolov implied that the Soviet Union was particularly interested in the various agricultural reforms introduced by Bulgaria and Hungary, in particular with their emphasis on managerial autonomy, self financing and co-operation between private farmers and co-operatives or state farms.

Mr Bogomolov said that the experience of the Soviet Union's partners indicated that more importance should be attached to rational pricing as a means of establishing the true profit and loss position of farms and enterprises and specifically included the "rent factor"

New Soviet leader, Mr Yuri Andropov, has made closer Comecon co-operation one of the major themes of his proposals for raising the efficiency of the Soviet economy and successfully implementing the "food programme" unveiled by former President Leonid Brezhnev last May.

A high-level summit meeting of party leaders from all Comecon countries is expected to be held in Moscow before the summer. This should thrash out details of the structural changes needed to improve the effectiveness of Comecon development plans in such fields as robots, electronics, food technology, transport and energy.

Threat to Netherlands Antilles status in U.S. tax treaty talks

BY CHARLES BATCHELOR IN LONDON

THE STATUS of the Netherlands Antilles, an important Caribbean tax haven used for channeling large amounts of foreign investment into the U.S., could be threatened if tax treaty negotiations break down.

Mr Harold Henriquez, chief Antillean negotiator in Washington, said talks had been postponed since mid-February while his delegation considered U.S. proposals. One Antillean banker described the negotiations as "deadlocked."

The U.S. authorities are now taking such a tough line that the Antilles' offshore banking and finance industry could be severely damaged, Antillean bankers believe. Some 25,000 offshore companies, many the subsidiaries of leading European groups, are registered on the islands.

The outcome of the negotiations – the first with a major tax haven since the U.S. drew up a "model" tax treaty recently – is expected to set the trend for talks with other offshore finance centres around the world.

The Antilles, a group of six islands, are the last remaining Dutch colonial possession, although they are autonomous in most domestic matters.

Five rounds of negotiations with the U.S. Treasury over the past two years have failed to produce agreement on a new tax treaty.

Offshore banking and finance is an important source of revenue for the Antillean Government.

The Antilles is currently considering a U.S proposal which, it is believed, would put an end to "treaty shopping", the use of the Antilles by non-Antillean companies for investments in the U.S.

One Antillean banker says this is the crux of the proposal. "The U.S. has said: 'This is our proposal. Take it or leave it!' If this goes through, almost everything else in the treaty is meaningless. The whole offshore industry is based on the fact that people in other countries use the tax treaty for investment in the U.S."

Dutch may alter dividend tax

BY WALTER ELLIS IN AMSTERDAM

NON-RESIDENT investors considering putting money into Dutch equities will be cheered by the prospect of an end to the Netherlands' present policy of taxing dividends arising from foreign-held shares.

Mr Henk Koning, state secretary at the Department of Finance, has told the Dutch Parliament that the government is considering a bill removing from foreign investors the obligation to pay tax on their Dutch investments. Under the proposed bill, investors would pay tax once only, either in their country of residence or in the Netherlands. The existing regulation, creating an effective double taxation, is thought to have depressed inward investment. Now that the Amsterdam Bourse has recovered substantially from the downturn of recent years, demand for equities has soared, and the removal of the double taxation penalty would undoubtedly attract a number of investors from outside the country into what is, currently at least, a rising market.

The volume of foreign investment on the Amsterdam Bourse is already increasing, partly because of the rise in value of shares and partly because, even under existing legislation no capital gains tax is charged on share profits.

At present, tax is levied on dividends at a rate of 25 per cent. Dutch holders with 5 per cent or more of the total equity of a company can claim a refund on the tax paid either through income tax or corporation tax. Outsiders, however, face a second accounting in their home countries.

For Dutch businessmen, the good news is the already announced future reduction of corporation tax from 48 per cent to 40 per cent. The latest Koning proposal, if adopted, would be widely seen as further evidence that the Centre-Right Government is determined to attract in funds and aid investment in industry generally. The Left, however, can be expected to query the measure to determine if the net effect would be beneficial to the Dutch economy.

Belgium in new move to defend franc

BELGIUM yesterday imposed restrictions on foreign currency holdings of commercial banks and companies in a new move to defend the franc.

Each bank's ceiling for foreign currency holdings for forward transactions on the convertible market was reduced to BFr 20m ($425,000) from previous levels ranging from BFr 200m to about BFr 1bn for large banks.

Private companies were ordered to convert export earnings immediately into Belgian francs, ending their option of holding on to foreign currencies. Existing foreign exchange assets must be either spent or converted by April 15.

Penalties on overdrafts of Belgian franc convertible accounts undertaken for the purchase of foreign currencies will also be tightened.

A central bank official said the measures were taken to stem further speculation against the Belgian and Luxembourg francs, which are linked at parity.

"A foreign exchange crisis in Europe has never lasted this long," he said. "Speculation has proved to be extremely dangerous. Public opinion as well as monetary authorities recognise that a realignment of the EMS is indispensable."

Agencies

Markets unsettled by Opec deal and EMS

Continued from Page 1

used sterling (and the dollar) to buy the francs needed to close their positions.

The pound closed in London at FFr 10.135, its lowest since before the Mitterrand Government's first devaluation in October 1980. It had, nevertheless, gained in London against the dollar, Swiss franc and Yen.

An Opec agreement later sent the pound up sharply, up three-quarters of a cent against the dollar to $1.5080 in London. In early trading on the U.S. markets sterling was quoted as high as $1.5250.

Meanwhile the Bank of England took its last chance before today's budget to announce a £1bn tap stock, a new 10½ per cent Exchequer Convertible dated 1986, with options to convert into the 10½ per cent stock of 1999 on four occasions beginning in May 1984.

The Government stocks market had been rising in defiance of sterling's weak performance, and it greeted the new tap enthusiastically.

The Bank of England likes to have a tap stock in place before the budget, but since the previous short tap sold out on its second day (February 18) the uncertain state of the markets – pending an outcome to the Opec deliberations – has made it difficult to find a suitable moment for another issue.

Bonn concern on EMS

Continued from Page 1

economic convergence with West Germany so long as the Paris Government sticks to its current policy.

It is in this context that Bonn is approaching the question of EMS realignment. It is believed in Bonn that a devaluation of the French franc is essential – and that at least a small revaluation of the D-Mark will be required as part of a package deal.

It is recognised that the realignment will not be easy because of many technical problems – for example, that of the Belgian franc, which some German experts feel to be undervalued even though it is being widely described as a candidate for devaluation.

But it is also felt that – given a consistent economic and fiscal course in both Paris and Bonn – the new parities could then be held relatively easily.

Dr Mana Said al Otaiba

Opec's problems come out in verse

The following is the poem written by Dr Mana Said al Otaiba, United Arab Emirates Oil Minister, about Opec's plight during the protracted talks.

I am truly troubled and with Opec distressed,
Opec's major crisis is no longer suppressed,
The market is stagnant, the price of crude oil depressed.

We called for a London meeting
As the market was explosive,
And said, "Dear members,
The solution must be comprehensive,
To restitute the market's health,
The strength is now imperative,
Let production have a ceiling,
Since luck is surely offensive."

To each a share in the market
And let supplies be divided,
And as reduction of the price
Cannot by now be avoided,
Let us arise and all declare:
"A new measure is decided,
Lest we lose these markets we seek,
"And feel disturbed or derided."

What we have said all ministers
Well understand and know,
Yet implementing is difficult
When predilections show,
That each pities himself and feels
Struck by an unjust blow.

With Dikko we have all pleaded
Saying: "You are now committed
"To raise your price by one dollar,
"Or else we all stand to suffer."

Yet all our pleas he rejected
And claimed the issue had been settled.
He could only reiterate
What his government had asserted.

"Even by half a dollar," we cried,
And East and West roared with the same.
But he again, to our great shame,
Turned a deaf ear. "If you must blame,
"Do so!" he said. "But then prices
"Must float according to this game."

Oh, will reproach convert, you think?
My friend, you are misled!
We have greatly argued, until
Our tongues became heavy as lead.

When things seem depressing, ill omens loom,
And we sink into great anguish.
But when they brighten up, as with a boom,
All our troubles seem to vanish.

How many committees have we all had
When differences were so rampant,
But when the germ causing disease is fed,
Futile is all predicament.

The price of oil is falling down.
Reduction does now look inevitable.
So let us discuss clear quotas
Though discussions may seem impossible,
The least of evils seems the best,
Thus choice rests with what is acceptable.

Our second week in conference has passed.
Our heavy hearts are feeling now so weary.
It is sacrifice to save efforts, we are asked.
In disputes, all members are defeated, surely.
The price of oil is falling down, its ceiling perforated!

THE LEX COLUMN

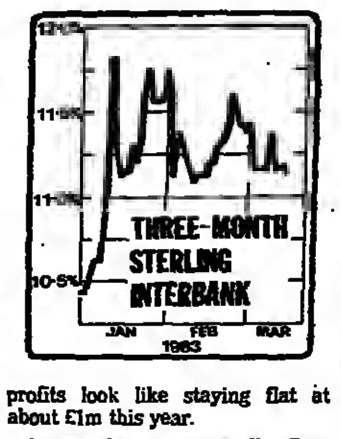
Stocking up for the big day

The Government Broker would feel left out of the party if there was no stock to sell at budget time, and yesterday a new tap was duly wheeled out – £1bn of 10½ per cent Exchequer 1986, convertible into the 10½ per cent Treasury of 1999. The paper comes in partly-paid form with an enticing special ex-dividend feature.

Last year's overfunding of the PSBR, together with the weakness of bank lending in the early months of 1983, have reduced the authorities' funding requirements to a minimum and have helped to create the unusual coincidence of a rising gilt-edged market and a falling pound.

The supply shortages have been particularly acute at the long end of the market, where the authorities remain reluctant to fund, and the convertible option on the new stock will allow long-term holders to pick up short-dated paper while retaining an option to go back out to the end of the century.

On the basis of the price at which the stock has been issued to the Bank of England, that option should not be too expensive. As a short stock, the tap has been priced roughly in line with the market. Gilt-edged remained very firm after hours yesterday and the patched-together Opec agreement should see budget day off to a fine start.



Barratt

Barratt Developments has come to seem almost mechanical in its steady application of a successful formula to the house-building industry, and its latest results for the six months to December have cocked another snook at the recession, with pre-tax profits up 36 per cent to £20.7m on a 34 per cent sales increase. But there is nothing mechanical about the group's continuing alertness to fresh marketing opportunities, and it has given further indications in this half-year of significant expansion beyond its traditional business areas.

Market share in South-East England has grown to about 7½ per cent, up from 6½ per cent at the time of last November's £46m rights issue, and two more southern subsidiaries are to start up next month. The Californian market, another key area, now appears to be responding to the Barratt treatment, even though margins are still constrained here by the cost of mortgage subsidies, and pre-tax profits look like staying flat at about £1m this year.

Across the group, studio flats have grown from nothing to 15 per cent of sales in two years, and Barratt has now set up a host of subsidiaries ready to move in on the nascent UK retirement homes market. A £120m property book of 40,000 unit plots includes 4,000 new town sites with advantageous financing. Four urban development subsidiaries are already taking on local authority renewal schemes and Barrett has just indicated a new interest in property rentals.

With about £30m of the rights issue proceeds still in the bank at present, net debt is around 17 per cent of shareholders' funds and 17,000 house completions for 1982-83 should add pre-tax profits of around £55m. The shares, at 548p, are yielding a prospective 3.8 per cent.

Mills and Allen

Only nine months after its takeover of the Garvin Guy Butler money broking house in the U.S. Mills and Allen is spending $26m to acquire Garban, one of the exclusive club of U.S. Government securities brokers. Ballooning government deficits have turned the brokers, acting as intermediaries between the 39 New York primary dealers, into fast-growth businesses and the natural prey of the fashionable integrated financial conglomerates. Mercantila House and Security Pacific each own one of Garban's main competitors.

While profits in such a volume-sensitive business may not be of the highest quality, Mills and Allen is paying what looks to be a modest price. On the pro-forma first-half profits of $2.9m, Garban's exit multiple comes out at just under 10, and long-established links with Garvin give some guarantee of holding the dealing team together.

Even so, the acquisition will boost Mills and Allen's goodwill to £62.5m against net tangible assets of £13m. This is clearly not the sort of balance sheet to support a mountain – or even a hillock – of debt, and yesterday's £18.3m rights issue leaves around £8m in hand. Some of this will be used on further expansion in the UK insurance broking field to consolidate the recent £3.5m acquisition of EGIS. But all eyes yesterday were on Garban's growth prospects, and Mill's shares rose 35p to 405p, where it is on a fully taxed p/e of 14.5 assuming profits of around £19m for the year to June.

Sun Hung Kai

Last year's heavy investment by Merrill Lynch in Sun Hung Kai (SHK) of Hong Kong was explained at the time as being part of a long-term strategy to create links with other financial intermediaries and to establish a worldwide trading desk. That is no doubt still the intention but, over the shorter term, Merrill has little to show for its investment but capital losses.

Merrill bought most of its 25 per cent stake in SHK Securities, the stockbroking arm, together with its 15 per cent holding in SHK Bank from Mr Fung King Hey, founder and moving spirit of the SHK group. Since that deal last May the share prices of the two companies have halved, while, on the back of a buoyant Wall Street market, Mr Fung has more than doubled his money on the Merrill Lynch convertible debentures he received in exchange.

Now Merrill and Paribas, another minority partner in SHK, are being drawn into a crisis at Sun King Fung (SKF) Development, an SHK property offshoot, whose net worth has been wiped out by HK$493m of losses incurred in last year's property slump. With Mr Fung they are providing SKF with HK$380m of long-term funding and will receive share options in return. As part of the deal, the securities company and the bank are being almalgamated, which may tidy up Merrill's holding but will also make an eventual full offer for any part of SHK that much more difficult and expensive. Meanwhile, bailing out a property company is certainly not part of the strategy which Merrill had in mind.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	15	59	Dubrovnik	S	12	54	Malaga	C	15	59	Salzburg	S	14	57
Akrotiri	C	12	54	Faro	S	22	72	Malta	C	14	57	Seoul	S	6	43
Algiers	S	28	82	Florence	D	8	46	Manila	S	35	95	Singapore	S	35	95
Amsterdam	C	12	54	Frankfurt	F	11	52	Melbourne	C	20	68	Stockholm	S	5	41
Athens	C	7	45	Funchal	F	18	64	Milan	C	9	48	Strasbourg	S	14	57
Bahrain	C	21	70	Geneva	C	11	52	Moscow	S	4	39	Sydney	R	24	75
Bangkok	S	32	90	Gibraltar	S	16	61	Munich	F	11	52	Taipei	R	19	66
Barcelona	F	15	59	Guernsey	F	9	48	Nairobi	-	—	—	Tangier	S	22	72
Beirut	C	13	55	Helsinki	F	3	37	Naples	S	13	55	Tehran	-	—	—
Belgrade	S	9	48	H. Kong	-	—	—	New Delhi	S	28	82	Tel Aviv	-	—	—
Berlin	C	8	46	Innsbruck	S	10	50	New York	S	13	55	Tenerife	F	18	64
Biarritz	F	14	57	Inverness	F	11	52	Nice	C	12	54	Tokyo	S	11	52
Blackpool	F	8	46	Istanbul	Sn	4	39	Oporto	F	13	55	Toronto	S	11	52
Bordeaux	C	15	59	Jersey	F	9	48	Oslo	C	3	37	Tunis	S	19	66
Brussels	C	13	55	Jo'burg	S	28	82	Paris	C	13	55	Valencia	C	16	61
Budapest	S	7	45	Las Palmas	C	21	70	Prague	F	5	41	Venice	S	9	48
B. Aires	S	22	72	Luxor	S	29	84	Reykjavik	R	1	34	Vienna	S	14	57
Cairo	R	20	68	Lisbon	F	16	61	Rio de J'o	C	39	102	Warsaw	S	6	43
Cape Town	-	—	—	Locarno	C	8	46	Rome	C	14	57	Zurich	C	10	50
Caracas	S	30	86	London	C	10	50								
Casablanca	S	23	73	Los Angeles	C	20	68								
Copenhagen	R	4	39	Luxembourg	C	11	52								
Corfu	S	14	57	Madrid	S	16	61								
Dublin	F	9	48	Majorca	S	18	64								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

UK commissions EEC trade study

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

BRITAIN'S Department of Trade is commissioning a study from the Royal Institute of International Affairs (Chatham House) and the National Institute of Economic and Social Research on the implications of a European trade policy based on protectionism.

The study will be concerned with future trade policy options for the EEC, the department said yesterday. But Chatham House said it would be examining what a protectionist stance would involve, what policies would go along with such a stance and what would be the trade effects.

Motives behind the commissioning of the study have not been made clear but appear to reflect two strands of official thinking:

- the need to be prepared for any change in trade policy if the Conservative Party loses the next election;
- the need to be prepared for any shifts in EEC policy as a result of the persistent protectionist pressures on governments from European business.

The exercise does not, however, imply any change in the modified open trade stance of the present Government, whose ministers have consistently taken the view that the open trading system should be upheld although protectionism is justified in specific cases.

The Department of Trade has agreed with the two institutes in the outline programme of the study, which is due to be completed by the end of the year and published in early 1984. Contracts have not yet been signed, however, and financial details remain to be worked out.

Chatham House will undertake the general policy side of the study. The National Institute is understood to be paying particular attention to the economic effects on the UK of a protectionist European policy.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Tuesday March 15 1983

Alan Friedman in London reports on the desire to build stability into the international system

The search for a banking lifeboat

IT MAY BE years before an official history of the international debt crisis of 1982 is written, but private conversations with commercial and central bankers suggest that for a few days last autumn the banking system came perilously close to the brink.

The crises of debtor nations such as Mexico and Brazil have been well publicised already, as have the rescues mounted by central banks under the aegis of the Bank for International Settlements and the International Monetary Fund (IMF).

A growing number of bankers are now coming forward, however, to suggest that the financial rescue packages so far constructed amount to little more than a "piecemeal approach" to what is in reality a structural problem.

The 1982 debt crisis, they argue was mainly about a shortage of liquidity. Although o significant improvement in the world economy should belp debtor nations to begin earning precious foreign exchange once more, there is still the prospect of a liquidity problem within the near future.

What will happen, for example, if the price of oil drops by an amount which reduces oil revenues for debtor countries such as Mexico, Venezuela and Nigeria, perhaps to such an extent that they are unable to pay interest on foreign debt?

The answer, in the opinion of several senior and respected bankers, is thet a liquidity problem for debtor nations (and for the world banking system) could recur. The solution, they suggest, is a new and international agency wbicb would work to remove some of the most problematic of the loans from bank balance sheets and thus free the banks to engage in the business they are most needed for, namely, lending more money to underpin a global economic recovery.

Many schemes have been put forward for such an international banking "lifeboat," and in recent weeks it has emerged that some central banks, such as the Bank of England, are giving thought to the practicality of such an agency.

Other central banks are known to be firmly against such a scheme, partly because they may not regard it as an urgent necessity and partly because of the political difficulties of trying to put such o plan into practice.

Nonetheless, the idea of a new international banking lifeboat bas generated much discussion among bankers and several rough proposals. Three of the most talked about come from Barclays Bank, from the chairman of Morgan Grenfell and from Mr Felix Robatyn, chairman of New York's Municipal Assistance Corporation, and a partner at Lazard Frères.

Mr Timothy Bevan, Barclays chairman, last week threw his weight behind a plan for o "rediscounting facility" which would enable central banks to provide liquidity relief for banks with problem loans, although not actually to transfer risk.

Mr Peter Leslie, senior general manager at Barclays Bank International, feels that within the next six months the world's banking system will need to cope with the "secondary effects" of the international debt crisis – a continued slowdown in growth and even a possible reversal in Euromarket lending, in both the interbank (bank-to-bank) market and in the area of direct lending.

He fears a liquidity problem as banks with a "heavy weight of immobilised debt" shy away from new loans. If banks have a sizeable part of their loans "locked up" as a result of debt rescheduling agreements which provide for repayment of interest only and not principal, they will find "3,000 reasons not to lend any more," according to Mr Leslie.

His answer to this problem is for central banks to agree to purchase portions of such loans from banks, at a discount, as a temporary relief measure. In exchange, the banks must agree to lend the equivalent amount in new money, perhaps as export credits.

If the discounted loan turns sour, it will revert to the bank, wbich will then bave to write it off. If the loan matures then the central banks will collect the principal, baving already provided cash to the banks for the discounted loan.

Like Mr Leslie, Mr Bill Mackworth-Young of Morgan Grenfell stresses that his plan is only in very rough form. "The basic thrust of all these plans," he explains, "is to strip assets out of the banking system which shouldn't bave been there in the first place."

Mr Mackworth-Young would like to shift the burden of problem bank assets from the banking system to the international capital markets. His scheme is to create a new agency, supported by the IMF or central banks, whicb would purchase bank loans at face value and issue in exchange non-interest bearing bonds. This paper would then be discountable at central banks if serious liquidity problems arose.

In addition, these central bank-backed bonds could be converted into a second type of paper, wbich would carry a low interest coupon and would be tradeable on a new secondary market.

The Mackworth-Young plan then provides banks with two options: either to hold the face-value bonds and not write down the loans, or to write down the loans and dispose of the paper on a new secondary market. The secondary paper would be guaranteed by central banks, making it, in Mr Mackworth-Young's view, the equivalent of "Quadruple A Paper."

Mr Felix Rohatyn also favours the creation of a new agency, possibly a World Bank or IMF subsidiary, which would issue banks with long-term low-interest bonds in exchange for dubious loans. But he points out that the political difficulties of such a programme are "immense."

Mr Rohatyn is aware of the prospect of an outcry against "bailing out the banks" but suggests thet some kind of scheme is vital in order to ensure o "strong and bealthy banking system."

At the moment, some of the arguments of advocates of the lifeboat seem relevant enough – the world may face further liquidity problems, and perhaps a new supranational agency is desirable. In practice bowever, the coordination, speed of effort and cooperation required by the major central banks in order to establish such an agency looks uncertain.

Salzgitter foresees move into deficit

By James Buchan in Bonn

SALZGITTER, the West German state-owned steelmaking and industrial group, expects to plunge back into the red in the current year despite climbing back into profit in 1981–82.

Herr Ernst Pieper, chief executive, said that in the year up to the end of last September Salzgitter made a net profit of DM 20m ($8.25m) after a loss of DM 388m in 1980–81. This year, however, losses at the steel-making arm, Peine-Salzgitter, could be DM 200m or more, after a profit of DM 55m in 1981–82. Herr Pieper expects ever heavier demands from the shipbuilding division. Howaldtswerke-Deutsche Werft (HDW) in the face of continuous weakening in the demand for tonnage.

In 1981–82 HDW lost DM 85m and was the chief burden on a result which Herr Pieper considered "not bad at all." Herr Pieper said these losses, and the poor performance in Salzgitter's foundry sector, however, could be covered through the DM 300m raised from the sale of Salzgitter's 90 per cent share of Ferngas.

The group also received o further DM 90m from its sole shareholder, the West German Federal Government, and the proportion of its own resources to its balance sheet total has improved to 10 per cent from the 7.9 per cent at the end of 1980–81.

External sales revenue in 1981–82 climbed only fractionally last year to DM 11.7bn.

Club Med ups profits by 23%

By David Marsh in Paris

CLUB Mediterranée, the French holiday village operator, boosted consolidated profits by 23 per cent last year to FFr 174.3m ($25m), with turnover np 24 per cent to FFr 3.95bn.

Last year's results for the 12 months to eod-October showed a profit of FFr 51.92 per sbare, taking account of the company's one-for-five rights issue last spring.

The holiday coocern's solid financial position was underlined by a 28 per cent rise in its self-financing surplus to FFr 280.1m. Turnover oo a non-consolidated basis for the first three mooths of the 1982–83 year rose 20 per cent compared with the November to January period in 1981–82.

Heller in $425m deal with Fuji Bank

By Paul Taylor in New York

WALTER E. HELLER International, the Chicago-based commercial finance and bank holding company, announced yesterday that it had agreed in principle to sell its two commercial finoncing subsidiaries to Fuji Bank for $425m in cash.

The surprise announcement is a major blow to Security Pacific, the tenth largest U.S. bank, which just two weeks ago signed a letter nf intent to buy the two units for $400m.

The two subsidiaries ere Walter E. Heller and Company and Walter E. Heller Overseas which together bave assets of more than $3bn.

The battle follows Walter E. Heller's announcement that it earned $16.4m last yeor, down from $22.6m in 1981 despite an 11.5 per cent improvement in profits at the group's other major subsidiary, American National Bank.

Walter E. Heller was known to be considering an asset sale to bolster its financial position following two years of declining profits but the announcement of the sale of the commercial finance units surprised industry observers who expected the group to sell the bank. Last year the bank reported profits of $28m while Heller and Company, the domestic commercial financing unit, reported earnings of $5.2m down from $12.7m in 1981 and Heller International reported earning of $5.4m up from $4.5m.

U.S. cinema group sees income fall

By Our Financial Staff

GENERAL CINEMA, the big independent soft drinks bottler and largest cinema chain operator in the U.S. saw first quarter oet earnings fall from $8.7m to $8.1m.

Earnings per share rose from 39 cents to 43, as shares outstanding fell from 22.2m to 18.7m. Revenues rose from $183.1m to $211.1m.

The company expects higher sales and earnings for the fiscal year ending October 31. Net earnings in fiscal 1982 were $48m or $2.38 a sbare oo revenues of $886m.

Pittston to sell fuel oil distribution unit

BY RICHARD LAMBERT IN NEW YORK

PITTSTON is selling its fuel oil distribution business, Pittston Petroleum, to an unidentified foreign buyer for a price which may approach $100m. Pittston has signed a letter of intent for the sale, and hopes to complete the transactioo in a few months.

Pittstoo Petroleum is mainly engaged in marketing and distributing fuel oil in the north eastern U.S. Its sales in 1982 totalled more than $1.1bn. But the business has been badly hit by weak oil prices and the recession. The company made an operating loss of $6.1m in 1982, compared with a profit of more than $45m two years earlier.

Net worth of the company is now less than $100m, and Pittston said the sale price would be "somewhat in excess" of book value. The buyer, wbose identity may be announced in the next few days, is said to be a substantial company engaged in international oil and energy operations.

Pittston's other activities include coal mining and distribution, air freight forwarding, and the Brink's security business.

Cummins expects small loss

By Our New York Staff

CUMMINS Engine, a major indepeodent producer of diesel engines in the U.S., expects to make a small oet loss in the first quarter of 1983 and does not look for any significant improvement in market conditions during the first half of this year.

The company says that its loss before tax and foreign currency gains in the current three months will be roughly comparable to the $8.9m loss in the final quarter of 1982.

In a prospectus related to the sale of 825,000 new shares, Cummins says capital spending on its product expansion programme will amount to obout $1bn during the 1980–86 period. Of this, oearly $500m bas already been speot. Cummins's financing plans for the 1983–86 period will require about $200m to be raised from external sources.

National Steel agrees $66m workers buy-out at Weirton

BY PAUL TAYLOR IN NEW YORK

NATIONAL STEEL, the sixth largest U.S. steelmaker, has reached an agreement under which workers would buy the company's huge Weirton steel mill in West Virginia for $66m. If approved, the deal will create the largest employee-owned company in the U.S.

The tentative agreement which will be put to a vote of the plant's 10,100 workers – 3,100 of whom are currently laid off – follow four months of negotiations.

Under the agreement, which was thrashed out by a joint study committee made up of representatives of the steelworkers and the Pittsburgh-based company, the workers, grouped together in an employee stock ownership plan (ESOP), would pay the $66m for the fixed assets of the Weirton plant, which has sales of about $1bn a year.

The purchase price for the mill and equipment represents about 22 per cent of the $300m book value of the plant, reflecting the impact of the depressed state of the industry, and will be financed in large part by notes issued by the new company and held by National.

In addition, the new employee-owned company would purchase the plant's current assets, raw materials and other inventory valued at $300m from National, less current and long-term liabilities totalling about $185m.

The remaining $115m will be paid through a $75m up-front payment at the time of closing under which Weirton will assume responsibility for certain debt obligations, together with a $40m payment to be made over a five-year period beginning in 1988.

In total, the workers are expected to pay about $181m for the division's assets under lenient repayment terms. This will enable the ESOP to begin operation immediately the deal is aproved and be able to seek additional loans if necessary.

Under the terms of the deal, National, which reported a $462.8m after-tax loss in 1982 after taking a $229m special charge in the fourth quarter to cover the anticipated loss on the sale of Weirton, will retain a variety of pension, health and insurance liabilities for Weirton workers, a committment always seen as a crucial element in any agreement.

Nevertheless, if approved, the deal will also represent a major concession by the Weirton workforce. The agreement is based on a study by McKinsey and Co which requires a 32 per cent cut in wages.

National Steel, which also operates steel plants in Detroit, Portage, Indiana and Granite City, Illinois, said yesterday that on a pro-forma profit and loss statement basis for Weirton's first 10 months nf 1982, the plant would have been profitable if it had been operating under the McKinsey study recommendations.

The deal has already been welcomed by some of the Weirton workers.

Elkem passes second consecutive dividend

BY FAY GJESTER IN OSLO

ELKEM, the Norwegian metals, mining and manufacturing group, is passing dividend for the second consecutive year.

It says extensive cost-cutting and productivity improvements achieved last year would only partly offset the effects of the recession, which led to "very weak demand and strong pressure on prices for Elkem's main products," particularly aluminium and ferro alloys. The board predicts, however, that 1983 will be o better year for the group.

Preliminary results, published recently, put the 1982 deficit before year-end appropriations and taxes, at about Nkr 230m ($31.9m), in addition to an unrealised Nkr 70m loss on foreign currency loans.

The final figures show a deficit of Nkr 308m, of which the unrealised loss on foreign loans accounts for Nkr 80m. This compares with a deficit of Nkr 153m in 1981, and a profit of Nkr 178m in 1980.

Investment spending by the group last year totalled Nkr 130m, against Nkr 237m in 1981. Increased sales – to Nkr 5,384m from Nkr 4,874m – mainly reflected the fact that 1982 was the first full year since Elkem's acquisition of five ferro alloy plants previously owned by Union Carbide.

Jungheinrich

A table published in the Financial Times on January 28 with an article on the world fork lift truck industry attributed incorrect turnover figures for the years 1979–81 to Jungheinrich. The company bas pointed out that its turnover for fork lift trucks was; 1979, £108m ($163m) (79 per cent of group turnover); 1980, £133m (81 per cent of group turnover); 1981, £128m (79 per cent of group turnover).

Boost for Gulf and Western

BY OUR NEW YORK STAFF

GULF and Western, the U.S. conglomerate, generated net income of $53m in the second quarter running to the end of January with the belp of substantial profits from secrity dealings. Net income from continuing operations o year earlier amounted to $50m.

Half year net income comes to $113.8m, or $1.48 a share, compared with $132.8m, or $1.72 a share, last year. Net income for the last three months and balf year includes realised gains of $21.1m and $34.7m respectively from the sale of investments in securities, compared with e gain of $800,000 and a loss of $2.4m in the same periods of 1981–82.

In addition, earnings for the last six months include a gain of $18.7m from the recovery of a temporary reduction in the value of marketable securities held at July 31, 1982.

The future of Gulf and Western's big securities portfolio bas been thrown into question by the recent death of Mr Charles Bluhdorn, wbo built the group up and took personal responsibility for its security trading. The group announced a major boardroom resbuffle ot the end of last week, citing the need for more centralised management.

It said its objectives included the reduction of debt and the reallocation of assets into areas which offered an improved rate of return.

CAII raises net income

By Paul Betts in Paris

COMPAGNIE Arabe et Internationale d'Investissement (CAII), one of the leading investment banks in the Arab world, reported yesterday consolidated net profits of $19m last year.

The investment bank said the profits of its major operating subsidiary, the Paris-based Banque Arabe et Internationale d'investissement (BAII) increased by 34 per cent to FFr 47.4m last year compared with 1981. BAII's assets grew 37 per cent to FFr 18.3bn last year compared with 1981.

Federal Express up

By Our Financial Staff

FEDERAL EXPRESS, the package delivery group, achieved an 8 per cent tocrease in net earnings in the third quarter ended February 28.

Profits for the group, which operates an overnight delivery service throughout the U.S. and parts of Canada, lifted third quarter profits from $18.96m or 90 cents e share to $20.47m or 92 cents.

Brewing lifts Labatt nine-month earnings

BY ROBERT GIBBENS IN MONTREAL

ANOTHER strong performance from brewing operations and lower interest rates belped Jnhn Labatt, Canada's second largest brewer, to increase operating earnings in the nine months to January 31, despite the recession.

Nine-month operating net profits were C$56.8m (U.S. $46.1m) or C$3.52 a sbare against C$44.3m or C$2.85 a year earlier. The results exclude a special C$3.5m loss on the agreed sale last December of Laura Secord, e confectionery subsidiary, to Rowntree Mackintosh of the UK for C$40m. The previous year's figures exclude an extraordinary loss of C$3m. Sales figures were not released.

Labatt subsidiaries in packaged foods and agri-products performed less favourably, but the company says results fnr the full year will be well ahead of fiscal 1982.

Labatt is controlled by Brascan, the Toronto holding company of the Peter and Edward Bronfman group, wbich recently reported sbarply lower earnings for 1982.

Setbacks at resource subsidiaries left net earnings ot C$60.1m or C$1.04 a sbare against C$107.9m or C$3.30 on revenues of C$259m compared with C$251. Fourth-quarter earnings were equal to 62 cents a share against 84 cents.

● Meanwhile, Mitel, the Ottawa-based telecommunications group, which last month announced it was discussing plans with IBM for the joint production for a new range of private telepbone exchanges, expects to report increased earnings in the fnurth quarter ended February 28.

It forecast earnings in the final period of more than the C$14.2m, of 39 cents a share, reported in the same period the previous year.

Mitel said sales in fiscal 1984 should rise by between 30 per cent and 35 per cent and "it is safe to assume the same for earnings."

In fiscal 1982 Mitel earned C$34.4 nr 95 cents a sbare on sales of C$204.1m.

● Canadian National Railways is considering making an offer for control of Sofati Container Line, a North Atlantic container operator owned by Montreal Sofati.

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

4th March, 1983

INTERNATIONAL BANK FOR RECONSTRUCTION WORLD BANK RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Japanese Yen 20,000,000,000
8% Yen Bonds of 1983, due March 4, 1993

The Nomura Securities Co., Ltd.

Yamaichi International (Europe) Limited — The Nikko Securities Co., (Europe) Ltd. — Daiwa Europe Limited

Algemene Bank Nederland N.V. — Bank of Tokyo International Limited

Deutsche Bank Aktiengesellschaft — IBJ International Limited

LTCB International Limited — Nippon Credit International (HK) Ltd.

S. G. Warburg & Co. Ltd.

Abu Dhabi Investment Company — Amro International Limited — Banca del Gottardo — Bank of America International Limited

Bank Brussel Lambert N.V. — Bank Leu International Ltd. — Banque Arabe et Internationale d'Investissement (B.A.I.I.)

Banque Française du Commerce Extérieur — Banque Générale du Luxembourg S.A. — Banque Indosuez

Banque Internationale à Luxembourg Société Anonyme — Banque Nationale de Paris — Banque de Neuflize, Schlumberger, Mallet

Banque Paribas — Banque de l'Union Européenne — Banque Worms — Barclays Bank Group — Baring Brothers & Co., Limited

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Dillon, Read Overseas Corporation — Drexel Burnham Lambert Incorporated — Enskilda Securities Skandinaviska Enskilda Limited — European Banking Company Limited

Robert Fleming & Co. Limited — Genossenschaftliche Zentralbank AG Vienna — Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Goldman Sachs International Corp. — Hambros Bank Limited — Hill Samuel & Co. Limited — Kansallis-Osake-Pankki

Kidder, Peabody International Limited — Kleinwort, Benson Limited — Kredietbank N.V.

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) — Kuwait International Investment Co. s.a.k.

Kuwait Investment Company (S.A.K.) — Lazard Frères et Cie. — Lehman Brothers Kuhn Loeb International, Inc.

Lloyds Bank International Limited — Manufacturers Hanover Limited — Merrill Lynch International & Co. — Samuel Montagu & Co. Limited

Morgan Grenfell & Co. Limited — Morgan Guaranty Ltd — Morgan Stanley International — National Bank of Abu Dhabi

Orion Royal Bank Limited — Österreichische Länderbank — PK Christiania Bank (UK) Ltd. — Pierson, Heldring & Pierson N.V.

Postipankki — Sal. Oppenheim jr. & Cie. — Salomon Brothers International — J. Henry Schroder Wagg & Co. Limited — Société Générale

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NOTICE TO HOLDERS OF

FUJISAWA PHARMACEUTICAL COMPANY LIMITED
(Fujisawa Yakuhin Kogyo Kabushiki Kaisha)

5½ PER CENT CONVERTIBLE BONDS DUE 1996

Pursuant to Clause 7(B) and (C) of the Trust Deed dated 13th October, 1981 under which the above Bonds were issued, notice is hereby given as follows:

1. On 1st March, 1983, the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of 31st March, 1983 in Japan, at the rate of 0.05 new share for each 1 share held.

2. Accordingly, the conversion price of the Bonds will be adjusted effective as of 1st April, 1983, Japan Time. The conversion price in effect prior to such adjustment is Yen 990 per share of Common Stock, and the adjusted conversion price is Yen 942.90 per share of Commoo Stock.

FUJISAWA PHARMACEUTICAL COMPANY LIMITED
By: The Bank of Tokyo Trust Company
as Trustee
Dated: 15th March, 1983

NOTICE TO HOLDERS OF

LIFE CO., LTD.
(Kabushiki Kaisha LIFE)

6 PER CENT CONVERTIBLE BONDS 1996

Pursuant to Clause 7(B) and (C) of the Trust Deed dated 1st December, 1981 under which the above Bonds were issued, notice is hereby given as follows:

1. On 23rd February, 1983 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of 31st March, 1983, in Japan, at the rate of 1 new share for each 4 shares held.

2. Accordingly, the conversion price of the Bonds will be adjusted effective immediately after such record date. The conversion price in effect prior to such adjustment is Yen 901.00 per share of Common Stock and the adjusted conversion price is Yen 720.80 per share of Common Stock.

LIFE CO., LTD.
By: The Bank of Tokyo Trust Company
as Trustee
Dated: March 15, 1983

NOTICE TO HOLDERS OF

KAO CORPORATION
(Formerly Kao Soap Company, Ltd.)
(Kao Sekken Kabushiki Kaisha)

6 PER CENT CONVERTIBLE BONDS 1992

Pursuant to Clause 7(B) and (C) of the Trust Deed dated 17th August, 1977 under which the above Bonds were issued, notice is hereby given as follows:

1. On February 25, 1983 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of March 31, 1983 in Japan, at the rate of 1 new share for each 10 shares held.

2. Accordingly, the conversion price of the Bonds will be adjusted effective immediately after such record date. The conversion price in effect prior to such adjustment is Yen 433.50 per share of Common Stock, and the adjusted conversion price is Yen 394.10 per share of Common Stock.

KAO CORPORATION
By: The Bank of Tokyo Trust Company
as Trustee
Dated: March 15, 1983

SEK

AB Svensk Exportkredit
(Swedish Export Credit Corporation)

US$100,000,000 15¼% Notes due 1989 convertible at the option of the holder to Floating Rate Notes due 1989.

For the six months period 15th March 1983 to 15th September 1983 the Floating Rate Notes will carry an interest rate of 9 $\frac{7}{16}$% per annum with a coupon amount of US$48.88 per US$1,000 Note and US$488.75 per US$10,000 Note. The relevant interest payment date will be 15th September 1983.

BANKERS TRUST COMPANY
FISCAL AGENT

DBS BANK
THE DEVELOPMENT BANK OF SINGAPORE LTD
(Incorporated with limited liability in the Republic of Singapore)

U.S.$75,000,000
15½% Notes due August 12, 1989
and 75,000 Warrants to Purchase
U.S.$75,000,000
14⅞% Notes due August 12, 1989

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INTL. COMPANIES & FINANCE

Amic lifts payout despite per share earnings fall

BY OUR JOHANNESBURG CORRESPONDENT

ANGLO AMERICAN Industrial Corporation (Amic), the industrial arm of the Anglo American Group, South Africa's largest private company, had only a modest 4 per cent rise in trading profits—to R248m ($227m) from R238m—despite a 40 per cent increase in turnover.

Net profits for 1982 were R244m against R204m previously, with turnover up from R1.22bn in 1981 to R1.71bn. Dividends were increased to 180 cents from 165 in spite of a fall in earnings per share (calculated after excluding the 849,164 shares in Amic held by its wholly-owned subsidiary, De Beers Industrial) to 416.6 cents from 662.6 cents.

The figures for 1982 and 1981 are, however, not strictly comparable following a merger and some acquisitions by Amic. The most important of these was the merger with De Beers Industrial (Debincor) which took effect from January 1 1982. Debincor receives most of its income from its 39.5 per cent holding in AECI, the country's largest chemical group.

In the same period Amic bought holdings in Highveld Steel and Vanadium, resulting in the company becoming a 50.1 per cent owned subsidiary of the group.

Subsidiaries and associates which performed badly last year were the 38 per cent owned motor vehicle manufacturer, Sigma, which suffered a loss of R55m; Highveld, whose earnings in the six months to end-December 1982 slipped to R17m from R28m; the wholly-owned Scaw Metals, which suffered a significant decline from its 1981 earnings of R46m; and the wholly-owned Boart International, whose earnings were about one-half of the R39m achieved in 1981.

Since the year-end Amic has increased its interest in Sigma to 50 per cent (parent Anglo American has the other 50 per cent) and is to participate in the refinancing of the troubled motor company.

Bahrain approves bank licences

BY MARY FRINGS IN BAHRAIN

THE BAHRAIN Monetary Agency (BMA) has approved seven new banking licences—one for an offshore banking unit (OBU), two for institutions dealing in securities and the remainder for representative offices.

The successful application for an OBU licence was from Citicorp Banking Corporation of Delaware, which although a non-bank institution in the U.S., is seeking banking branch status in London, Bahrain and the Far East in order to fund Citicorp subsidiaries.

Two Japanese securities houses, Sumitomo Finance and Yamaichi International, have obtained investment bank licences for their Bahrain registered subsidiaries.

Banco do Brasil, which already has a Bahrain OBU, has been given permission to open a regional office. New representative office licences have also gone to Baring Brothers, First National Bank of Boston and Turkiye Cumhuriyet Ziraat Bankasi, a Turkish state agricultural bank.

● A $19m windfall from the handling of offshore company share issues brought 1982 earnings at Bahrain's four-year-old Al Ahli Commercial Bank to a record high.

Although profits from normal commercial operations jumped 94 per cent to Bd 1.54m ($4.08m), extraordinary non-operating earnings were more than four times this figure at Bd 7.233m. By agreement, the benefits of providing facilities for subscribers to five share issues last year were distributed among the three locally-owned commercial banks on the basis of their overall market share.

The National Bank of Bahrain, in which the Government is a major shareholder, reported extraordinary income of Bd 8.9m against an operating profit of Bd 11.4m. Bank of Bahrain, and Kuwait (BBK) reported an extraordinary income of Bd 16.7m against an operating profit of Bd 13m.

Al Ahli Bank excluded the extra-ordinary income from its calculation of return on average assets, which worked out at 1.41 per cent. Total assets (excluding contra-items) rose by 44 per cent to Bd 116m and loans increased by 64 per cent to Bd 79m. The directors proposed a one-for-three scrip issue in addition to a 12 per cent cash dividend.

Ayala hit by lower property margins

BY EMILIA TAGAZA IN MANILA

LOWER MARGINS on real estates sales has reduced profits at Ayala, the diversified Philippines group engaged mainly in property and banking. Net profit for 1982 dropped 30 per cent to 105m pesos ($12m) from 151m pesos in 1981. Turnover was 400m pesos against 390m pesos previously.

The decline in profits was also caused by the lower returns and dividends from Ayala's investments. The company was thus prompted to streamline some of its operations and to close unprofitable ones.

Ayala has disengaged itself from the distribution of consumer products, divested itself of its huge share in a banana plantation in the southern Philippines and sold its minority holding in Carnation Philippines. These divestments generated total gains of 24m pesos.

The group appears to be concentrating more on property and agribusiness concerns. Ayala International, a fully-owned subsidiary serving as a holding company for the group's foreign operations, is heavily involved in construction and property development in Brunei, Kuala Lumpur, Papua New Guinea and the U.S. west coast.

Malaysian EAC profit plunges by 50%

By Wong Sulong in Kuala Lumpur

EAST ASIATIC COMPANY of Malaysia, the listed subsidiary of EAC Denmark, has reported a sharp drop in earnings, with pre-tax profit for 1982 falling by 50 per cent to 8.5m ringgit (U.S.$3.7m).

However, the company is able to maintain its final dividend of 12.5 cents, making an unchanged 20 cents for the year, thanks largely to an extraordinary after-tax gain of 10.3m ringgits arising from the sale of two properties.

The poor results reflects the impact of the Malaysian recession on this diversified group, in particular on its plantation operations, and its heavy equipment department, which incurred substantial losses owing to widespread repossessions.

EAC Malaysia's associated company, Carlsberg Malaysia, the brewer however performed reasonably well, with a 10 per cent improvement in pre-tax earnings to 18m ringgits.

While EAC's turnover fell by 5 per cent to 273m ringgit, that of Carlsberg rose by 12 per cent to 133m ringgit.

The final dividend at Carlsberg is 15 cents, making an unchanged 25 cents for the year.

Mixed results at Thai banks

By Jonathan Sharp in Bangkok

BANGKOK BANK, one of the largest private banks in South-East Asia, has declared a net profit of 1.19bn baht ($51.5m) for 1982, continuing its spectacular growth rate. The figure compares with a net profit of 971.83m baht in 1981.

The bank said that cash and deposits at the end of 1982 amounted to 18.4bn baht and total assets of the bank amounted to 175.6bn baht.

Thai Farmers Bank, the second largest bank in the country posted a 1982 net profit of 345.9m baht, down 12 per cent from the previous year.

The decline in profits was because the bank had been obliged to pay relatively high interest on fixed deposits made before the recent lending rate reductions.

Most of Thailand's banks are suffering from excess liquidity, as they have been unable to increase lending in proportion to a continuing increase in deposits.

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UK COMPANY NEWS

MAI 38% rise and calling for £18m

AT THE same time as reporting e 38 per cent increase in first-half pre-tax profits Mills & Allen International, the financial services and media contracting group, is proposing a rights issue to raise somo £18.3m, after expenses, in order to fund the purchase of Garban, a New York government securities broker, for $28m (£17.3m).

Garban is being purchased from the Garvin Bantel Corpn., which held a 51 per cent interest in Garvin Guy Butler prior to that company's purchase by MAI in June 1982. Garban's pre-tax profits in the last five years ended May 1982, heve grown from $1.1m to $4.3m, as adjusted in the context of the acquisition. In the six months to November 30 1982, similarly adjusted management profits were $2.9m, against $1.8m for the same period last year.

The acquisition is being financed by means of tho issue of 6,580,309 ordinary 25p shares, on tho basis of one-for-five at 290p per share. The funds so raised, together with a term loan available, will be sufficient both to purchase Garban and to implement MAI's development plans for insurance broking and advertising contracting.

Arrangements are being mede by Hambros Bank for tha underwriting of the issue.

MAI's interim results show pre-tax profits up from £6.22m to £8.58m for the six months to December 31 1982, on turnover 60 per cent higher at £50.52m (£31.34m). Tha second balf has started satisfactorily.

Tho interim dividend is baing raised from an adjusted 3p to 4p net, while stated eernings per 25p sbare improved 8.5 per cent from 12.9p to 14p. The directors are forecasting e total paymeot of not less than 13p por tho current year, compared with 11p previously after allowing for the subdivision of sbares.

The group's financial services' profits rose sharply from £2.2m to £5.92m in the balf year, reflecting the improved level of trading ectivity, rationalisation benefits and the first contribution from Guy Butler, Butler Till and Garvin GuyButler.

Media contracting profits however, dropped from £3.53m to £2.02m, with tho greater part of the fall in the UK outdoor advertising business. The media services contribution was higher at £750,000 (£238,0000).

Good levels of activity in money broking have since been maintained and there are signs of an increase in sales inquiries in the final quarter in both the UK and Far Eastern advertising companies.

The agreement to purchase Garban provides that the consideration will be payable in casb on completion. The acquisition is subject to the approval of MAI's sbareholders who will also be asked to approva tho necessary increase in the company's ordinary ahare capital.

The agreemeot is also conditional on tha expiry in the U.S. no later than April 14, 1983 of all relevant waiting periods under tho Hart-Scott-Rodino Antitrust Improvements Act of 1976. The directors are bowever, advised that the waiting periods uoder the HSR Act should expire on April 12 and it is provided that completioo of the acquisition will take place on April 28, 1983.

Tha individual shareholders of Garvin Bantel have agreed to guarantee the representations and warranties of the company and certain of its post-completion obligations onder the agreement, in support of certain arrangemeots made io relation to the maintenance of Garban's business after completion.

In addition, Gervin Bantel's representations, warranties and covenants under the agreemeot are secured under two escrow and retention agreements, pursuent to which a totel of $7.5m of the purchase price is retaioed to he released over periods reoging from approximately 45 days to approximately 3 years after completion.

Hambro Investmeot Trust holds 2.27m MAI ordinary ehares, equivalent to 6.91 per cent of the cepital.

See Lex

TDG picks up pace to end over £18m

AN ADVANCE of £2m in secood half pre-tax profits at Transport Development Group has left the full year result ahead from £15.17m to £18.33m for 1982. An increased final dividend has been proposed.

At the halfway stage, whon pre-tax profits were up from £7.16m to £8.33m (both are restated), the directors said that an improvement in the secood half was dependent on trends continulog.

Commentlog on outlook Sir James Duncan, chairman, says that in the UK profits to date are ahead of the previous year, helped by the generally mild winter. Overseas he says the pattern is mixed and the outlook more uocertain, particularly in the case of the reinforcement companies, but most executives remain optimistic.

The final net divideod is being lifted from 2.8p to 3p which raises the total from 4.25p to 4.45p. Earniogs per 25p share are given as rising from 6.1p to 7.87p before extraordinary debits.

Turnover moved ahead by £72.11m to £347.79m.

A breakdown of operating profits (£23.57m, against £18.27m) by division shows: road haulage £11.61m (£9.63m); storage £8.31m (£6.63m); plant hire and other transport services £1.17m (£1.14m); reinforcement and exhibitions £2.48m (£874,000).

A geographical breakdown shows that the UK cootributed £13.84m (£11.08m) and North America £2.77m (£665,000), but the directors point out that acquisitions in North America make comparisons difficult. Additional profits from North America are estimated at £0.4m. Europe amounted to £4.78m (£4.99m) and Australia to £2.19m (£1.54m).

Tax, estimated at 52 per cent, amounted to £7.34m against £6.68m. Minority ioterests took £480,000 (£346,000) and there were lower extraordinary debits of £136,000 (£760,000) relatiog to the sale of properties, closure costs, and includiog tax relief.

Attributable profits emerged higher at £10.38m (£7.4m) and dividends absorbed £5.97m (£5.71m).

On a current cost basis pre-tax profits were reduced to £13.05m against £7.72m with earnings per share coming through at 4.01p (2p).

● comment

As an early indicator of cbaoges in the level of industrial activity, the 20 per cent profit improvement in Transport Development's beulage busioess may seem encouraging. But the advance was boosted by a full contribution from the Willig freight busioess and was as much due to increased operatiog efficiencies as to higher volumes. Recent traffic increases hava come in fits and starts, leaving scant evidence to suggest the beginning of a major upturo in industrial output. Storage operations have picked up considerably since the balfway stage wben reductions in EEC food stocks caused cold storage rates to plummet. In reinforcements, which hava been hit bard by depressed conditions in the construction aod steel industries, a first-time profit contribution from Hausman Steel helped to compensate for profit falls elsewhere. Pursuing the aim of achieving an equal assat split between UK and overseas interests, further foreign acquisitions could be on the cards. The geariog level of 35 per cent of shareholders' funds leaves some scope for increasing borrowings during a period of decliniog interest rates. But take-over seen likely only after a broadly-based ecooomic upturo. The share gained 5p to a new high of 94p for a fully-taxed p/e of

Barratt Developments up to £20.7m at six months

IN THE half year to December 31, 1982, Barratt Developments made further major progress with pre-tax profits up from £15.27m to £20.74m, oo a turnover of £220.43m, compered with £164.21m.

On capital increased by last November's £46m rights issue, tho interim divideod is raised to 4.2p net per 10p share, compared with 3.5p—last year's payments amounted to 12.35p and dividends at loast eqnal to thet amount have been predicted for 1982-83.

As expected, a one-for-one scrip issue is also annouoced.

In the UK private bousing sector the group legally completed 7,500 houses in the half year, an increase of 25 per ceot over the corresponding period last yeer. Advance sales are at record levels, and demand for the group's product remains buoyaot.

The property investment portfolio cootinues to expand steadily. Lettings are being achieved in eccordance with expectations, and new projecta are underway to maintain this expansioo.

The general and specialist cootracting subsidiaries continue to make a satisfactory contribution to profit, and their forward order books remain strong.

Although the housing market in California remained difficult during the period there bas been a recent major upturo, assisted by reduced interest rates. While only a small contribution to group profit from the American subsidiaries is anticipated in the current year, the directors say the recent marked improvement in edvance sales augurs well for the future.

The first-half tax charge more than doubled from £3.79m to £7.69m leaving the net balance at £13.05m (£11.48m).

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Barratt Devpts. ... †int.	4.2	May 27	3.5	—	12.35
Bealson Clark	5.7	—	5.5	9	8.5
Cambridge Elect.	3.5	May 10	2.75	5	4
Carlton Inds.	2	May 20	5	3.5	7.5
City and Commercial ...	1.4	March 31	1.28	3.21	2.99
Eastern Produce	3.5	June 2	3.22	4.9	4.62
Home Charm	3.15	May 27	2.15	4	3
Link House ... int.	4.5	April 22	3.6	—	12.3
Merchants Trust	2.82	May 20	2.4	4.57	4.15
Metalrax	1.6	May 20	1.45*	3	2.14*
Mills & Allen Intl. ¶int.	4	May 23	3‖	—	11‖
Murray Glendevon int.	1	April 29	0.8	—	3
Precious Metals ...... int.	Nil	—	Nil	—	0.5**
TDG	3	May 13	2.8	4.45	4.25
Victor Products ...int.	1.6	April 8	1.5	—	4.25
Waterford Glass§	0.81	—	0.81	1.51	1.51

Dividends showo pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § Irish currency throughout. ¶ Total of not less than 13p forecast. ‖ Adjusted for subdivision. ** For 58 weeks to July 31, 1982.

Carlton Industries profits lower at £5m

A REDUCTION in second-half figures from £5.13m to £2.9m left Carlton Industries, battery and whisky manufacturer, with lower 1982 pre-tax profits of £5.01m, compared with £8.07m previously. The result was struck after an exceptional loss this time of £0.93m.

The year's dividend is being cut sharply from 7.5p to 3.5p net by a final of 2p (5p) per 25p share. Stated earnings per share declined from 22.1p to 9.8p based on the actual tax eharge, and from 12.6p to 7.1p based on a notional 52 per cent charge.

Trading profits for the period dropped from £13.39m to £10.77m, although sales were ahead £14.32m to £116.83m.

Interest charges showed a decrease from £5.33m to £4.83m.

Sales of batteries increased from £73.2m to £85.55m, but profits slipped from £4.86m to £4.57m. Home improvement products contributed sales of £9.18m (£8.53m).

Other activities, including the overheads of the bolding company, made profits of £13,000, as against a previous loss of £144,000, but there was a reduced share of profits of £1.43m (£1.95m) from the group's associated company, Comben Group.

Attributable profits fell from £6.01m to £2.43m, after deducting tax of £1.42m (£1.14m), minorities of £892,000 (£908,000) and extraordinary items of £271,000 (£17,000). Dividends absorb £986,000 (£2.11m).

In current cost terms, profits before tax were reduced to £3.46m (£4.87m).

● comment

The market had feared rather worse than Carlton Industries' 37.9 per cent decline in pre-tax profits. Although the dividend was more than balved, the share price rose 10p to 130p on the market's relief that the 1982 results were not as bleak as the interim figures had forewarned. The company's third annual decline was entirely due to the slim margins imposed by a slack and competitive battery market. The directors see no sign of an improvement in trading conditions. Carlton's key battery division is running well below capacity and 300 have been made redundeot in the pest 18 mooths, with possibly more this year. KW Battery, the Chicago subsidiary, was badly hit by the recession in the U.S. car market and was also responsible for an exceptiooal loss of £926,000. Trading conditions were almost as tough in the Invergordon whisky division, where malt fillings were down 20 per cent and grain fillings slipped marginally. The company is increasingly relying oo neutral spirit sales as a backstop. The shares are on a p/e of 18, yielding 3.9 per cent.

Lower margins leave Waterford well down

FOR 1982 the Waterford Glass Group returned profits of I£8.49m, an 18 per cent shortfall on the previous year's I£10.36m.

As suggested in the interim statement, the group's second half performance showed an improvement on that of the first six months—profits for the second half were only marginally down on those of the same period last year at £5.18m (£5.32m).

However, the directors say the continuance of the widespread recession coupled with climbing domestic costs make it difficult to specolate on the outcome for 1983.

Meanwhile, they are maintaining the final dividend at 0.911p for a same-again net total of 1.511p per 5p share.

Turnover of this Kilbarry-based maker of lead crystal cut glassware expanded to £203.76m for 1982, an improvement of 7.1 per cent over 1981's £190.25m.

The fall in profits is blamed on declining margins through recessionary pressures experienced in most areas of trading and higher interest charges, which rose from £5.73m to £6.01m.

Exports of the crystal and china division benefitted from a stronger dollar but profitability was eroded by a volume drop in sales following inventory cutbacks at retail level and higher domestic costs.

The turnround in the Switzer group, anticipated midyear, took place but the Smith group continued to be affected by the overall slump in the car market.

Tax for the year was sharply reduced at £116,000 (£1.26m), leaving net profits £723,000 lower at £8.38m from which minorities took £387,000 (£373,000).

After a transfer from capital reserves of £25,000 (£721,000 transfer to) there was a surplus little changed at £8.02m, compared with £8.01m previously.

Stated net earnings per sbare emerged at 3.76p, against 4.1p.

In their interim report, the directors said that while there was no immediate sign of an easing of the recession, steps were being taken throughout the group to revitalise performances in all areas.

They added that any reduction in inflation and interest rates should contribute to improved trading results in the second balf of the year.

However, they pointed out that it would be unwise at the time to make any firm forecasts for the year as a whole.

Allowing for current cost accounting, pre-tax profits for the year under review fell from £5.06m to £2.97m. On the same basis earnings per share dropped from 1.75p to 1.29p.

A summary balance sheet at December 31 1982 shows group current assets at £120.93m, against £110.88m a year earlier, and current liabilities at £65.07m (£67.35m). Fixed assets were down slightly at £65.51m.

Shareholders' funds totalled £82.63m, compared with £78.44m, and loans sbowed an increase from £24.09m to £32.23m.

● comment

In 1980, Waterford Glass's 25 years of steady profits growth came to an abrupt end—and despite signs of recovery after a disastrous first half, the market is far from convinced that the company is likely to return to growth. The rising U.S. dollar against the Irish punt proved sufficient only to offset a 15 per cent wage rise. The depressed U.S. market, which accounts for 50 per cent of the sales of the crystal glass division, kept Waterford's stocks and its financing charges bigh. The Smith Renault distributor continued to make losses. The only bright spot was the Switzer store group which was turned into profitability after a pre-Christmas boom. Nearly 20 per cent of its annual sales came in December alone. But the group as a whole has done little to cut its costs—the labour force has hardly been reduced from the 1981 level. The management is pinning its bopes on interest charges in the dollar, the punt and sterling, falling and staying down. The maintained dividend, which is uncovered on a CCA basis, gives a net yield of 10.7 per cent at 15p.

Home Charm advances and pays 1p more

AFTER AN almost static first half Home Charm, e supplier of wallpaper, paints and kitchen and bathroom units, pushed ahead in the second six months to finish the year to January 1 1983 with pre-tax profits of £3.22m, an improvement of £405,000 over those of the previous 12 months.

An iocreased final dividend of 3.15p (2.15p) lifts the net total by 1p to 4p per 10p share.

● comment

Home Charm bas got through the 12 months that could so easily bave proved its undoing. The share price, which hes come up from a low of 120p last year, had been taking a fairly relaxed view of the Sankey acquisition for some time but even so it always had the element of a risky dash for growth. Not least of the potential problems was the £14m of debt loaded onto the HC's balance sheet. Yet with a little help of thumbscrews for its suppliers HC ended the year with no short-term debt and just a £3m increase in mortgage debt to £6m. Howevar since then HC has had to dive into its bankers' pockets for £7m; £4m of that for general trading liabilities (perhaps the suppliers bit back and wanted *some* money) and £3m for two new sites. This year HC hopes to add another 300,000 sq ft or so. The hefty disposal plan (42 shops) of 1982 will not be repealed though one large Texas lease disposal should add a sizable profit above the line. Still it is the trading front where the retailer should really be rolling up the profits in 1983. Sales per square feet from the Sankey outlets are climbing towards typical HG levels and with a better DIY market pre-tax profits of £5½m look a fair target for 1983. The company has returned to the market's favourite fold, hence the yield is down below 2 per cent. at 334p. GCA cover is nearly four times.

Eastern Produce boosted by a strong second half

PRE-TAX profits of Eastern Produce (Holdings) more then doubled from £2.09m to £4.45m for 1982 from turnover of £36.81m, compared with £22.95m—the group's interests include, tea, rubber, copra, coffee and insurance broking.

Profits in the second six months advanced strongly from last time's £1.26m to £3.3m.

The dividend for the year is being increased from 4.62p to 4.9p by a final of 3.5p (3.22p)—earnings per 50p shere are given as 15.9p (6.5p) on a net basis and as 17.3p (7.7p) on a nil basis, pre-extraordinary items.

● comment

The lack of a significant futures market in tea means that Eastern Produce, with its plantations in Kenya and Malawi, is highly sensitive to any shift in tea prices. The upswing which began in August was the main factor behind the 1982 increase in profits—although these are still well below the previous 1977 peak of £7.8m. The year however was another disastrous one in EP's rubber plantations in Papua New Guinea because of depressed world rubber prices and an overvalued local currency, end despite a 40 per cent cutback in acreage under cultivation. In the last few months, the Kina has been develued by 10 per cent and rubber prices have taken off which makes the break-even target for 1983 feasible. The Unochrome engineering subsidiary, acquired in 1981, increased its trading profit slightly, although inflation-adjusted figures would have continued to show a loss, if they had been produced. Profitability has also been boosted slightly in the insurance broking division, thanks to cost-cutting and an improved share of the two recession-hit markets in which the division specialises: heavy haulage and contracting. The price yesterday rose from 96p to 114p, 6.1 times the fully-taxed earnings, where the yield is 6.4 per cent.

Lipton leaves Greycoat City Offices

In a mova described as "totally amicable," Mr Stuart Lipton, co-founder of the burgeoniog property development group Greycoat City Offices, is to leave his post as joiot managing director "to enable him to devote more timo to his persooal ioterests," the company said yesterday.

Mr Lipton will remain on the Greycoat board as e non-executive director and will act as a consultant in relation to the company's developments in 1180 Aveoue of the Americas, New York end Finsbury Avenue, in the City of London.

The Greycoat board says the move is at his own request aod with the agreement of his fellow directors. Mr Lipton has "no present intention" of selling his shareholding in the company.

Greycoat is best known for its major central London office schemes, the most receot beiog a plan to spend £70m on the further redevelopment of Victoria Station and perhaps the most conteotious beiog the scheme for close to 1m sq ft of offices at Coin Street on the South Bank of the Thames.

Mr Lipton bas beeo seen as the "high profile" board member, with responsibility for development and construction. As the company grew from net assets of £741,000 to £55m in just over three years to December 1981, he has been "very deeply involved," he said last night.

"I am known as e nuts and bolts man," he said. "Property development of that sort is e very time consuming process and that is the ooly really successful way there is."

BIDS AND DEALS

Cash injection for British Syphon

BY DAVID DODWELL

MR BRYAN MORRALL and Mr Chris Shaw, both senior executives at the James Halstead Group, are to be invited to join the board of British Syphon Industries following agreement in principle to subscribe to 2m new British Syphon shares, raising about £760,000 for the heavily indebted company.

The two men are being backed by the English Association Trust, which offers merchant banking services, and a number of the Trust's clients. The group are offering 38p per British Syphon share.

The move is planned to coincide with the retirement in June of British Syphon's chairman, Mr James Eardley. The two men, with the English Association, already hold over 800,000 shares in the company, and after taking up the subscription, will hold about 23 per cent of the 12.1m shares issued.

British Syphon is best known for its drink dispensers. In the first half of 1982, it reported pre-tax profits of £2,000, a recovery from first half losses of £291,000 in 1981.

Nevertheless, sales slipped from over £14.5m to about £10.6m. At the same time, debts ahead of the shares subscription were about £4.1m, attracting annual interest costs of over £500,000 a year.

Mr Morrall, who is currently chief executive of James Halstead, a group specialising in PVC floor coverings and weterproof clothing, will join British Syphon as non-executive chairman until he leaves James Halstead "later this year."

Mr Shaw is currently managing director of the flooring division of Halstead and intends to resign as soon as he is appointed to the board of British Syphon as group managing director.

The English Association is offering British Syphon shareholders the opportunity of tendering their shares at the subscription price of 38p. It intends to arrange sub-underwriting for the tender, and will ensure the listing of British Syphon shares.

The British Syphon board, together with its advisors, ICFC Corporate Finance, intend to recommend approval of the issue of new shares.

Bass steps in to rescue Buddies

BY CHRIS CAMERON-JONES

THE BREWING and hotel giant Bass has emerged as the rescuer of Buddies, one of the UK's largest specialist holiday companies catering for young people.

Buddies is being acquired by Pontins, the Bass offshoot which includes Holiday Club International. Only days earlier it had faced extinction because the Civil Aviation Authority refused to renew its Air Travel Organisers licence unless it obtained a substantial cash injection.

Some 4,000 young people had paid for holidays in Spain, Italy and the Greek islands

The company had grown rapidly since it was set up four years ago by its managing director, 43 year-old David Heard. As a result of this growth it was told by the CAA on Tuesday that it had 21 days to obtain an unspecified capital injection.

Mr Heard found an additional £150,000 backing. This proved insufficient and he believed he had raised enough support by Friday when Pontins, alerted by the publicity, agreed to buy for an undisclosed sum.

Holiday schedules are to continue as planned and the booking programmes will be resumed as normal.

U.S. link for money broker Tullett & Riley

By Rosemary Burr

TULLETT and Riley International, the largest remaining private firm in the London money-broking community, is planning to play a part in the developing European market in U.S. government bonds.

The firm yesterday announced an outline agreement with Cantor Fitzgerald Securities Corporation, a leading broker in U.S. government securities.

Under the agreement Tullett and Riley will act as agent in London for the Los Angeles-based broker. Initially the UK broker will limit its service to New York opening hours but later it hopes to extend the operation outside New York hours.

The two firms first met to discuss the arrangement about 10 days ago. *A more formal link-up may be* agreed later.

Tullett and Riley has expanded rapidly overseas in recent years and now employs over 600 people in 14 branches around the world's principal money centres.

FT COMMERCIAL LAW REPORTS

Buyer's duty to mitigate loss

SOTIRIS SHIPPING INC v SAMIET SOLHOLT

Court of Appeal (Sir John Donaldson, Master of the Rolls, Lord Justice Dillon and Sir George Baker): March 11 1983

A SELLER who fails to deliver by the date due under the contract of sale is only liable for such loss to the buyer as is directly caused by his breach, and he is not liable for that part of the loss which could have been avoided had the buyer taken reasonable further action.

The Court of Appeal so held when dismissing an appeal by Sotiris Shipping Inc, buyers of the vessel, Solholt, from Mr Justice Staughton's decision in the Commercial Court that they were not entitled to claim for the full loss resulting from breach of the contract of sale by the sellers, Samiet Solholt.

* * *

SIR JOHN DONALDSON, giving the judgment of the court, said that in May 1979 the Norwegian sellers agreed to sell the Solholt to Greek buyers.

The contract called for delivery not later than August 31 1979, failing which the buyers were to have a right of cancellation.

The sellers wished to use the vessel for as long as possible before delivery, but miscalculated the last voyage and were unable to deliver her until a day or two later.

The buyers exercised their contractual right of cancellation on September 3 1979. The contract price of the ship was $5m, and her market value on August 31 was $5.5m.

In a judgment given on June 18 1981, Mr Justice Staughton held that the sellers were in default in failing to deliver, and that the measure of damages to which the buyers were *prima facie* entitled was the difference between the vessel's market value and the contract price, namely $500,000.

However, he dismissed the buyers' claim on the ground that they had failed to mitigate their loss by negotiating a further contract for the purchase of the vessel at the original price. It was against that decision that the buyers appealed.

Mr Sumption, for the buyers, said that had the vessel been delivered by the due date, they would have acquired a vessel worth $5.5m at a cost of $5m.

In deciding whether to exercise a right to cancel a contract in such circumstances, a buyer need have no regard to the fact that, in the absence of cancellation, he would suffer no loss. If he cancelled, the loss would be attributable to the sellers' breach of contract, and not to cancellation.

How was it then that the buyers were expected, in effect, to reverse their decision to cancel by entering into a new contract at the same price as the old, and to do so purely because that would eliminate their loss?

Mr Justice Staughton recognised that that was a good question. The sellers had made an uncovenanted profit of at least $500,000 as a result of their own breach of contract, and the buyers had sustained an equivalent irrecoverable loss. However, there were good answers. The court was concerned with the buyers' loss and not with the sellers' profit. The latter was wholly irrelevant.

*

A plaintiff was under no duty to mitigate his loss. He was completely free to act as he judged to be in his best interests. On the other hand, a defendant was only liable for such part of the plaintiff's loss as was properly to be regarded as caused by the defendant's breach of duty.

The buyers had an unfettered right to affirm the original contract of sale or to cancel it. No question of mitigation arose at that stage. They decided to cancel and lost $500,000. That loss, unless avoidable by some reasonable *further* action, was directly attributable to the sellers' breach of contract.

The judge held that it was avoidable by further action, and that such action would have been reasonable. Whether a loss was avoidable by reasonable action on the part of the plaintiff was a question of fact, not law.

In *Payzu v Sanders [1919] 2 KB 581* sellers refused to deliver goods sold on credit terms, but *offered to make a new contract* on cash terms. The buyers refused. It was held that it would have been reasonable for them to take the goods on cash terms and that the principal loss was accordingly not caused by the sellers' conduct and was not recoverable.

*

Dicta in *Heaven and Kesterton [1956] 2 Lloyd's Rep 316* were helpful to the buyers in the present case, and totally confused the proposition that in deciding whether to rescind or affirm a contract the innocent party need have no regard to considerations of mitigation of loss. The decision had to be reconciled with *Payzu v Sanders*. That could be done only by treating it as turning on reasonableness and its own special facts. That was how the court regarded it in the present case.

Mr Pollock, for the sellers, fully accepted that the buyers had a right to cancel the sale contract, but he submitted that on the evidence Mr Justice Staughton was entitled to conclude that it was reasonable to expect them to seek to enter into a new contract, and that had they done so, they would have succeeded in purchasing the vessel at the contract price, thereby extinguishing the loss.

Accordingly, he said, such loss as they had in fact suffered was attributable to that unreasonable conduct and not to the sellers' breach of contract.

The evidence did not suggest that there was any material change in the buyers' circumstances between the time when they agreed to buy the vessel and the time they cancelled. They wanted a vessel, but there was no suggestion that an identical one was available. The alternative was to buy the Solholt. The buyers recognised that she remained suitable for their purposes, and offered to buy her for $4.75m. The offer was rejected and they did nothing further.

Mr Sumption submitted that it was then for the sellers to make an offer as was done by *the sellers in Payzu v Sanders*. Whether that was correct was a question of fact.

It depended on whether, in the circumstances, it was reasonable for the buyers to await an offer from the sellers, or whether the reasonable buyer would have taken the initiative himself.

In his judgment Mr Justice Staughton said that the test was whether the innocent party acted reasonably in mitigating his loss. That must include consideration of any opportunity he had to make a fresh bargain.

The judge was satisfied on the evidence as a whole that if the buyers had offered to buy the vessel at the original contract price of $5m without prejudice to any claim they might have for three days' delay, the sellers would have accepted.

*

He found that the buyers failed to take reasonable steps to mitigate their loss, and could not recover their $500,000 as damages.

Their Lordships did not know whether they would have reached the same conclusion on the evidence, but there was nothing which clearly contradicted the judge's conclusion. He was in a position to see and hear the witnesses and to assess the significance of what was said.

It was for the buyers to satisfy the court that he had erred on the question of fact. The court was not so satisfied, and if his conclusions of fact stood, he was clearly right to dismiss the buyers' claim.

Appeal dismissed.

For the buyers: Jonathan Sumption (Wm. A. Crump and Son).

For the sellers: Gordon Pollock QC and Bruce Reynolds (Sinclair, Roche and Temperley).

By Rachel Davies

Barrister

UK COMPANY NEWS

Midway advance by Link House

INCREASED profits and a higher interim dividend have been announced by Link House Publications for the half year to the end of December 1982. Pre-tax profits improved from £2.67m to £3.28m and the dividend has been lifted from 3.8p to 4.5p.

In the last full year pre-tax profits amounted to £5.65m and a total dividend of 12.3p was paid. The directors were confident at the year end that in 1982-83 the company would maintain its record of increased profits in each successive year.

Turnover of this publisher, which is a close company, improved for the six months from £12.99m to £13.79m.

Profits of Exchange and Mart Publishing improved during the first half say the directors, with 27 issues of Exchange and Mart being published, although only 26 are expected in the second half. The division is planning to launch a third local edition of Exchange and Mart during the year.

Trading conditions at Link House Magazines remain difficult they say and economies will continue. This division is not expected to contribute to group profits this year.

Pre-tax profits included investment income of £341,000 (£321,000) and exceptional costs of £125,000 which were due to magazine launch costs.

Tax estimated at 52 per cent came to £1.71m (£1.39m) leaving available profits of £1.58m (£1.28m), equivalent to 13.13p (10.68p) per 20p share.

● comment

Link House Publications' 23 per cent increase in interim pre-tax profits together with a hefty dividend increase was a very well kept secret: the shares moved rapidly on the news, finally closing up 27p to near an all time high of 390p. Link House's pursuit of internal efficiences in its less successful divisions is reflected in the increase in trading margins of over four percentage points to 22 per cent, and the 20 per cent cover price increase on Exchange and Mart can have done no harm at all. The group has made various attempts to build a diversified publishing and communications empire around the tried and trusted E and M base, but these figures more than any previous results create the impression that Link would do best by sticking to what it knows best. The three non-E and M divisions seem unlikely in total to have been in the black, although the company is not telling. Link says that it won't be stampeded into acquisitions, though with over £6m net cash, it could be accused of wallowing. However it is difficult to imagine that Link could buy anything that would compare with its own astonishing 100 return on capital employed. Link could certainly make about £6.8m in the full year, indicating a prospective p/e of 14, suggesting that the shares still have a lot of life left

Victor Products ahead

THE GRADUAL return to more normal profit levels at Victor Products has continued throughout the half year in October 31 1982. Pre-tax figures of this maker of industrial and mining equipment rose from £538,000 to £781,000, on a turnover of £7.65m, against £6.37m.

The board feels sufficiently encouraged to lift the interim dividend by 6.7 per cent to 1.6p (1.5p) net, after three unchanged years—last year's final was 2.75p.

The second half of the current year is unlikely to produce any major stride forward, says Mr L. R. Mann, the chairman. While there are many enquiries from overseas and prices are helped by the lower value of sterling, not many projects which use the company's equipment are scheduled to start in the short term.

The first-half tax charge rose from £76,000 to £234,000 and earnings per 25p share were 6.66p (5.78p).

NOTICE TO HOLDERS OF

AJINOMOTO CO., INC.

(Ajinomoto Kabushiki Kaisha)

7¾ PER CENT CONVERTIBLE BONDS 1995

and

5¼ PER CENT CONVERTIBLE BONDS 1996

Pursuant to Clause 7 (B) and (C) of the Trust Deeds dated 7th February, 1980 and 7th July, 1981, respectively, under which the above-mentioned Bonds were issued, notice is hereby given as follows:

1. On February 28th, 1983 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of March 31, 1983 in Japan, at the rate of 1 new share for each 10 shares held.

2. Accordingly, the conversion prices of the above-mentioned Bonds will be adjusted effective as of April 1, 1983, Japan Time. The conversion prices in effect prior to such adjustment is Yen 586.20 per share of Common Stock for the 7¾ per cent Convertible Bonds 1995 and Yen 933 per share of Common Stock for the 5¼ per cent Convertible Bonds 1996, and the adjusted conversion prices will be Yen 532.90 per share of Common Stock for the 7¾ per cent Convertible Bonds 1995 and Yen 848.20 per share of Common Stock for 5¼ per cent Convertible Bonds 1996.

AJINOMOTO CO., INC.
By: The Bank of Tokyo Trust Company
as Trustee
Dated: March 15, 1983

NOTICE TO HOLDERS OF

TSUMURA JUNTENDO, INC.

5¼ PER CENT CONVERTIBLE BONDS 1996

Pursuant to Clause 7(B) and (C) of the Trust Deed dated 24th September, 1981 under which the above Bonds were issued, notice is hereby given as follows:

1. On 11th March, 1983, the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of 31st March, 1983 in Japan, at the rate of 0.2 new share for each 1 share held.

2. *Accordingly, the conversion* price of the Bonds will be adjusted effective as of 1st April, 1983, Japan Time. The conversion price in effect prior to such adjustment is Yen 2,181.70 per share of Common Stock, and the adjusted conversion price is Yen 1,818.10 per share of Common Stock.

TSUMURA JUNTENDO, INC.
By: The Bank of Tokyo Trust Company
as Trustee
Dated: March 15, 1983

Electronics group lifts profits and increases dividend

BY OUR FINANCIAL STAFF

CAMBRIDGE ELECTRONIC Industries has achieved sharply higher profits for 1982 and is stepping up its dividend by 1p to 5p per 25p share by an increased final of 3.5p.

At the pre-tax level, the group's profits rose to £7.51m ($11.3m), an increase of 27.2 per cent over the previous year's £5.91m.

Sales for 1982 improved by 9.1 per cent to £83.8m (£76.6m). Some of the increase was attributable to price rises on the group's products but, in the extremely competitive conditions prevailing, these were "modest".

There was a varying pattern of sales activity in the different sectors of the group, ranging from a virtually unchanged position in defence and electronic systems to increases of almost 10 per cent in electronic and electrical components and in excess of 20 per cent in specialist engineering.

Group trading profits moved ahead by £1.48m to £8.94m due to continuing improvements in productivity and an increase in sales volume.

Taxable profits included net interest receivable of £572,000 (£447,000). Tax charges rose from £2.02m to £2.46m and, after minorities of £368,000 (£236,000), attributable profits came through at £4.69 (£3.65m).

Earnings per share rose by 2.9p to 13p.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
140	F.P.	18/4	146	132	✠Airship Inds	135xr	+1	—	—	—	...
112	F.P.	16/3	147	128	Assoc. British Ports	143	−1	b7.0	1.5	7.0	11.6
—	F.P.	—	100	66	Ad'tc M'trp'n U.S.0.10	100	....	Q80	6.6	6.5	14.9
§100	F.P.	22/4	106	100	Br. Kidney Pat. As.	105	......	—	—	—	—
§74	F.P.	21/1	158	108	✠Canvermoor	140	+5	b3.64	2.0	3.7	15.2
11	F.P.	18/4	220	265	✠Grainger Trust	215	.....	u3.8	2.5	2.6	28.1
§38	F.P.	8/4	112	89	✠HB Elect Comps 10p	82	+2	u1.12	3.2	1.7	20.7
§190	F.P.	4/3	388	305	✠Microgen	360	−5	b4.0	2.9	1.6	23.7
§156	F.P.	7/1	356	198	✠Munford & White	290	......	b8.6	2.4	1.6	34.4
§93	F.P.	4/2	198	145	✠*Resource Tech. 10p*	157	−1	—	—	—	30.2
‖ ‖	F.P.	—	110	83	✠Sinclair (Wm.)	88	......	‡4.25	1.0	6.9	21.3
‖ ‖	F.P.	—	105	5	Do. Defd	77	......	—	—	—	—
175	F.P.	25/3	308	253	Superdrug Stores 10p	260	+2	bd3.6	2.4	1.9	30.7
125	F.P.	—	125	100	✠Swindon Priv Hos £1	106	+2	—	—	—	—
§10	F.P.	11/3	28	22	✠Tele.Services Int 10p	25½	......	b0.2	3.3	1.1	38.2
§72	F.P.	30/3	106	89	✠Utd. Packaging 15p	108	......	b2.5	3.2	3.3	11.5
§150	F.P.	18/2	340	265	✠WightCollinsR-215p	280	......	bd2.75	3.3	1.4	31.2
—	F.P.	3/3	25	26	Yorks & Lancs. W'rrnts	20	....	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
97.504	F.P.	4/3	162	88¼	BOC 12¼% Uns. Ln. 2012-17	35¼	+¾
97.431	£26	10/4	21⅞	13	Birmingham 11½% Red. 2012	17¼	+¾
¶100	£15	2/6	10¾	10¼	E.Worcestershire Water 7% Rd. Prf. 1990	15¾	......
*3	F.P.	31/3	224p	180p	Electro-Protective 7% Cnv. Prf.	172p	......
18	£25	25/5	25¾	24¼	Hambros Inv. 6-17% Stpd. Deb. 2018	25¾	+½
¶	F.P.	29/7	100½	100	Mid Sussex Water 7% Red. Pref. '88-90	100¼	......
—	—	—	100¼	99	Nationwide Bdg. Soc. 11⅞% Bds. 28/1/84	100⅜	......
—	—	—	100⅛	100	Do. 11⅞% Bds. 15.2.84	100⅛	......
—	—	—	100	100	Do. 11¼% Bds. 19/3/84	100	......
§97.174	£25	6/5	29	22	Pearson (S) 13% Uns. Ln. 2007	29	+1
¶100	£10	2/6	12	12	Sutton Dist. Water 7% Pref. 1988	12	......
96.56	£25	3/7	31	23½	Sweden 13½% Ln. Stk. 2010	31	+1

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
350	F.P.	25/2	28/4	348	275	AGB Research 10p	348	+5
‡‡140	Nil	25/3	15/4	12½pm	4pm	✠Airship Inds.	4pm	......
280	Nil	26/3	26/4	94pm	85pm	Applied Computer	90pm	......
3½	Nil	4/3	28/3	18pm	2pm	Audiotronic 2½p	17½pm	......
11	Nil	—	—	1pm	1pm	✠Berkeley & Hay Hill Invs 10p	1pm	
50	F.P.	8/2	9/3	65	45	Clyde Oil 'B'	48	......
78	F.P.	7/3	15/3	105	95	Dominion Int. 20p	88	......
102	Nil	—	—	11½pm	11pm	✠Garfunkels 10p	11½pm	......
168	F.P.	11/3	10/6	183	171	Geers Gross 10p	178	......
20	F.P.	21/2	7/4	156	130	Grosvenor Group	156	......
140	Nil	28/3	6/5	54pm	40pm	Magnet & Southerns	52pm	+6
25	Nil	16/3	25/4	4pm	2pm	Mettoy	1pm	−1
67	F.P.	21/2	7/4	35½	32	Mount Charlotte 15p	35½	+½
A$1.50	Nil	—	—	67pm	40pm	North B. Hill 50c	42pm	+2
60cts	F.P.	11/3	—	38	34	Rand.Lon. Corp. 10cts	36	+2
68	F.P.	3/2	29/4	73	61	Stakis 10p	72½	......
400	F.P.	4/3	22/4	490½	405	Ultramar	480	+5
11	Nil	28/3	6/5	31pm	26pm	Valor	30pm	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. p Assumed dividend and yield. e Forecast dividend: cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. ⌐ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

MINING NEWS

Winston welcomes De Beers' return

BY GEORGE MILLING-STANLEY

THE SUCCESS of De Beers Consolidated Mines, the South African diamond giant headed by Mr Harry Oppenheimer, in regaining exclusive marketing rights to the bulk of diamond production from Zaire has been welcomed from an unexpected quarter.

The New York-based Harry Winston Incorporated, the world's largest vertically integrated diamond company with interests ranging from mining to jewellery retailing, might have been expected to resent the South African group's achievement.

De Beers, through its London-based Central Selling Organisation (CSO), controls four-fifths or more of the world's trade in rough (uncut) diamonds, and is thus a very powerful rival to the Winston organisation's attempts to strengthen itself through diversifying its sources of supply.

The U.S. group's founder, Mr Harry Winston, was regarded as one of the CSO's best customers until his death in 1978, but since that time the group has increased the number of diamonds it obtains direct form the mines, and thereby reduced its dealings with the CSO.

Mr Ron Winston, son of the late Harry Winston and now the group's chief executive, said that he feels De Beers has pulled off quite a coup in winning back its position in Zaire after just 22 months.

De Beers lost the exclusive marketing rights it had held in Zaire for 14 years in 1981 to a trio of small independent diamond dealers. It was reported last week that Zaire had reinstated the South African group's monopoly rights to production from the big Miba mine, which accounts for the bulk of Zaire's output of mainly industrial-quality diamonds.

The Winston group itself has a strong interest in all this because it has just paid the Zaire Government $110,000 (£72,000) for permission to open a buying office near the other main diamond mining area in the country, at Tshikapa.

This area normally accounts for about half of Zaire's output in value terms, although the caratage is much smaller, as the majority of the stones are of gem quality rather than the cheaper industrial material.

It is in this area that Winston is in direct competition with De Beers and with the one or two smaller companies, which have also taken advantage of Zaire's recent change in the regulations.

Hampton Areas in new Australian gold deal

BY KENNETH MARSTON

THE UK-BASED Hampton Gold Mining Areas has tied up a second farm-in deal with America's Newmont Mining over gold prospecting land in the now up-and-coming Eastern Goldfields region of Western Australia.

The new joint venture covers part (7,313 acres) of Hampton's location 48 and gives Newmont the right to earn a 75 per cent interest by the expenditure of A$4.5m (£2.57m) on gold exploration work over a maximum of 6 years.

Hampton Areas is not required to contribute until the expenditure of A$4.5m has been made by Newmont at which time Hampton Areas can take a number of options which include taking a lesser interest or a funded interest in the gold venture until the mine production is reached.

Location 48 adjoins the southern boundary of location 50 where Hampton already has a 25 per cent interest with Newmont as operator. Hampton thus has an increased stake in Australian gold which includes a 20 per cent interest in the A$27.5m Paringa gold mining operation and treatment plant in Kalgoorlie which is coming on stream.

Back in the nickel boom exploration days of the late – 1960s location 48 was one of those examined and, indeed, nickel was found on the southern part of the location. Western Mining entered into a deal with Hampton Areas whereby the former mined the ground and paid Hampton Areas royalties on the value of nickel production.

This deal, which still continues, provided Hampton Areas with a sound earnings base

Barratt growth continues

INTERIM STATEMENT

During the half year to 31st December, 1982 Barratt Developments made further major progress and is able, once again, to report record turnover and profit. The following are the unaudited results of the Group.

	Half year to 31st December, 1982 £000s	Half year to 31st December, 1981 £000s
Turnover	220,432	164,207
Profit before taxation	20,739	15,267
Taxation	7,691	3,792
Profit after taxation	13,048	11,475
Interim dividend	3,732	2,591
Retained profit	9,316	8,884

In the U.K. private housing sector the Group legally completed 7,500 houses in the half year, an increase of 25% over the corresponding period last year. Advance sales are at record levels, and demand for the Group's product remains buoyant. Further planned product innovation, for example the newly launched specially designed retirement accommodation, and refurbishment of existing inner city property, will ensure that the Group continues to serve the total private housing market within a price range of £12,000 to £500,000.

The property investment portfolio continues to expand steadily. Lettings are being achieved in accordance with expectations, and new projects are underway to maintain this expansion.

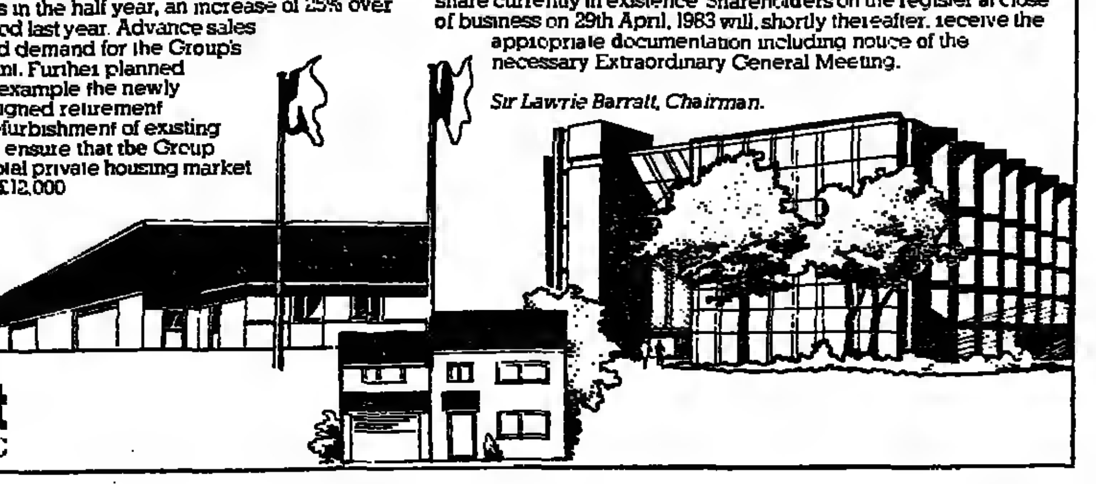
Those subsidiaries engaged in general and specialist contracting continue to make a satisfactory contribution to profit, and their forward order books remain strong.

Although the housing market in California remained difficult during the six months to December there has been a recent major upturn, assisted by reduced interest rates. While only a small contribution to Group profit from the American subsidiaries is anticipated in the current year, the recent marked improvement in advance sales augurs well for the future.

The board is declaring an interim dividend of 4.2p per share, being an increase of 20% over the comparable dividend last year. This will be payable on 27th May, 1983 to shareholders on the register at close of business on 29th April, 1983.

The board is also now formally *recommending* a capitalisation issue on the basis of one new ordinary share for each ordinary share currently in existence. Shareholders on the register at close of business on 29th April, 1983 will, shortly thereafter, receive the appropriate documentation including notice of the necessary Extraordinary General Meeting.

Sir Lawrie Barratt, Chairman.



Barratt
Developments PLC

KELSEY INDUSTRIES PLC

TENDER OFFER BY THE COMPANY TO PURCHASE UP TO 20 PER CENT. OF ITS OWN ORDINARY SHARES AT A MAXIMUM PRICE OF 240p PER SHARE

A tender offer enabling Ordinary Shareholders to tender their shares either directly to the Company ("off-market") or through The Stock Exchange ("on-market") will open today, Tuesday, 15th March, 1983 and close at 3.30 p.m. on Thursday, 31st March, 1983. The terms of the tender offer and instructions on what action to take if you wish to tender some or all of your Ordinary Shares are set out *below*.

Terms of the tender offer

1. The maximum price at which the Company will accept tenders will be 240p per Ordinary Share. It is possible to tender at a price below the maximum price of 240p, subject to a minimum price of 150p per Ordinary Share. It is a requirement of law that a minimum price be fixed for the purchase scheme; the minimum price is not, however, intended to give any indication as to the likely striking price (see below).

2. The maximum number of Ordinary Shares for which the Company will accept tenders is 768,000, being 20 per cent. of the present issued Ordinary Share capital. Ordinary Shareholders will be able to tender all or some of their shares, but if more than 768,000 Ordinary Shares are tendered, applications may be scaled down, balloted or rejected as explained in paragraphs 4 and 5 below.

3. If tenders of Ordinary Shares representing less than 1 per cent. of the voting rights attached to the Company's Ordinary Shares (being 38,400 Ordinary Shares) are received, the tender offer will be void.

4. If the number of Ordinary Shares tendered for sale is more than 768,000, the striking price (being the price that the Company will pay) will be the lowest price at which the number of shares sought (i.e. 768,000) is met and all shareholders who tender at or below the striking price will receive that price. If necessary, tenders made at the striking price will be scaled down pro rata or balloted.

5. No tenders at above the striking price will be accepted and shareholders should be aware that it is possible that the striking price could be less than 240p.

6. If the number of Ordinary Shares tendered for sale is less than 768,000, tendering shareholders will receive the maximum price of 240p, subject to paragraph 3 above.

7. Subject to the provisions of paragraph 3 above, all tenders lodged by shareholders or, on their behalf, by their agents, will be irrevocable.

8. It will be open to Ordinary Shareholders to tender a proportion of their shares on-market and a proportion of their shares off-market. For these purposes splitting facilities will be made available by the Company's Registrars.

9. The tender offer will open on 15th March, 1983, and will close at 3.30 p.m. on 31st March, 1983. The on-market tender will be conducted by The Stock Exchange and the off-market tender will be conducted by a representative of the Company. Upon closing, dealings in the Company's Ordinary Shares will be temporarily suspended, the results of both tenders will be amalgamated and a common striking price will be determined by The Stock Exchange and the representative of the Company by reference to both on- and off-market tenders. The decisions of The Stock Exchange and the Company's representative as to the striking price and as to which Ordinary Shares have been successfully tendered shall be conclusive and binding on all Ordinary Shareholders whether they have tendered on- or off-market.

10. At 9.30 a.m. on Tuesday, 5th April, 1983 (or, if later, the first business day following the determination by The Stock Exchange and the representative of the Company as to which Ordinary Shares have been successfully tendered at or below the striking price,) dealings in the Company's Ordinary Shares will resume and sales will be effected through The Stock Exchange of those Ordinary Shares which have been successfully tendered on-market. It is emphasised that the terms of such sales may in no circumstances be subsequently varied; nor will such sales or the settlement thereof be conditional on the approval of off-market purchase contracts.

11. Sales resulting from successful on-market tenders will be for normal Stock Exchange Account Settlement on 18th April, 1983, being the settlement day for the Account ending on 8th April, 1983. Ordinary Shareholders who have successfully tendered on-market will therefore receive their proceeds of sale (less normal dealing expenses) through their stockbroker or other agent in the usual way once they have provided (a) valid share certificate(s) or other document(s) of title and signed the appropriate transfer form. The normal Stock Exchange rules for Account Settlement will apply and buying-in may therefore take place in the event of late delivery of shares.

12. Successful off-market tenders will be subject to specific approval by Ordinary Shareholders at an Extraordinary General Meeting to be held on 29th April, 1983. Upon such approval being obtained the proceeds of sale will be paid on 3rd May, 1983 to those Ordinary Shareholders who have *successfully tendered off-market and provided (a) valid* share certificate(s) or other document(s) of title.

Action required

The taxation consequences for Ordinary Shareholders of tendering their shares will depend on whether they decide to tender their Ordinary Shares on- or off-market as well as on their own circumstances. All shareholders are recommended to consult their professional advisers before tendering their Ordinary Shares.

Off-market tenders

A form of tender for those Ordinary Shareholders who wish to tender all or part of their shares off-market is available from the Company's Registrars, Federated Trust Corporation Limited, Woodland House, Collingwood Road, Witham, Essex CM8 2TS; it contains precise instructions for lodgement which should be read carefully.

On-Market Tenders

Ordinary Shareholders who wish to tender all or part of their shares through The Stock Exchange should instruct their stockbroker, bank manager or other professional adviser accordingly, indicating the number of shares to be tendered and the price or prices at which such shares should be tendered. Sales resulting from successful tenders of Ordinary Shares on-market will be subject to normal Stock Exchange sale commissions, expenses and procedures for settlement. You should **not** use the off-market form of tender for tendering Ordinary Shares on-market.

The tender offer will close at 3.30 p.m. on Thursday, 31st March, 1983. It is expected that an announcement of the results of the tender offer will be made at 9.30 a.m. on Tuesday, 5th April, 1983 being the first business day thereafter.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)

Aitken Hume

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Anthony Wieler Unit Tst. Mgmt. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.(a)(c)

Arkwright Management

Barclays Unicorn Ltd.(a)(c)(g)

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Amer. Gen.†	57 d	62.3		1.03
Income*	70.2	73.4		5.87
Capital Inc.†	79.5	55.4		2.28
Do. Acc.†	98.1	105.4		2.28
Exempt‡	178.0	192.0		3.64
Intl. Recovery Inc.†	32.7	35.2		2.43
Do. Acc.†	41.9	45.1		2.43

Dealing *Tues. ‡Wed. †Thur. Prices Mar 8/9/10

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)

Brown Shipley & Co. Ltd. (a)(g)

Buckmaster Management Co. Ltd. (a) (c)

Canada Life Unit Trust Mngrs. Ltd.

Cannon Fund Managers Ltd. (z)

Capel (James) Mngt. Ltd.

Carr, Sebag Unit Trust Managers(a)

Cent. Bd. of Fin. of Church of England

Charities Charities N/R Fund

Charities Official Invest. Fund

Chieftain Trust Managers Ltd (a) (g)

Confederation Funds Mgt. Ltd. (a)

Consolidated Unit Tst. Mgrs. Ltd. (a)

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Crown Unit Trust Services Ltd.

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

36/38 New Broad St, EC2M 1NU 01-638 4485

Disc Inc March 4	329.1	350.9		3.98

Dunbar Unit Trust Managers Ltd.

66, Cannon Street, EC4N 6AE 01-236 0233

Income & Grwth	25.9	27.8		7.22
Special Sits	36.1	38.8	+0.1	1.42

Duncan Lawrie Fnd. Mgrs. (g)

Edinburgh Fund Managers Ltd.

Equity & Law Un. Tr. M. (a) (b) (c)

FFI & Target Fund Managers Ltd.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Robert Fraser Trust Mgt. Ltd.

Friends Prov. Trust Managers (a)(b)(c)

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a) (c) (g)

Govett (John)

Grieveson Mgmt.—Barrington Funds

Guardian Royal Ex. Unit Mgrs. Ltd.

Royal Exchange, EC3P 3DN 01-628 8011

(ag) GRE Gilt&Fxd Int	112.5	116.9	+0.8	10.12
(ag) Guardhill Tst.	170.9	177.0		3.46

Henderson Administration (a) (b) (c)

Hexagon Services Ltd.

Hill Samuel Unit Tst. Mgrs.† (a)

HK Unit Trust Managers Ltd. (a)

Investment Bank of Ireland (a)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Lawson Fund Managers Ltd. (a) (c) (g)

Legal & General (Unit Tst. Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.*

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

McAnally Fund Management Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group U.T. Mngrs. Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mngt. (a)

National Provident Inv. Mngrs. Ltd.

48, Gracechurch St., EC3P 3HH 01-623 4200

NPI Gth. Un. Tst.	90.7	96.5		4.80
(Accum Units)	134.4	143.0		4.80
NPI O'seas Trust	270.7	286.5	−0.6	1.00
(Accum. Units)	317.0	335.5	−0.7	1.00

National Westminster (a)

NEL Trust Managers Ltd. (a) (g)

Northgate Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Oppenheimer Practical Fund Mngt Ltd.

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a) (z)

Provincial Life Co. Ltd.

Prudl. Portfolio Mngrs. Ltd (a) (b) (c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management

Rothschild Asset Management (a) (g) (z)

Rowan Unit Trust Mngt. (a)

Royal Life Fd. Mgmt. Ltd.

Royal London Unit Tst Mgrs Ltd

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Save & Prosper—continued

S. Fleming High Int. Bank Account

Schroder Unit Trust Managers Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Scottish Amicable Inv. Mngrs. Ltd.

Scottish Equitable Fund Mgrs. Ltd.

Scottish Widows' Fund Management

SIMCO Money Funds

Standard Life Trust Mngt. Ltd.

Stewart Unit Tst. Managers Ltd.(a)

Sun Alliance Fund Management Ltd.

Swiss Life Pen. Tst. Man. Co. Ltd.(a)(c)

Target Tst. Mngrs. Ltd. (a) (g)

Touche, Remnant Unit Trust Mngt. Ltd.

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. Co. (a) (y)

Fielding Fund Mar 10	134.0	144.2		3.72
(Accum. Units)	135.6	145.9		3.72
Fielding Int Mar 10	158.4	168.5		2.26
(Accum. Units)	172.7	183.7		2.26
S & W American	96.4	100.3		2.00
Wickmoor Mar 10	102.7	108.6		5.01
(Accum. Units)	146.5	154.8		5.01
Wickm. Div. March 11	91.8	97.0		7.83
(Accum. Units)	140.9	154.8		7.83

Tyndall Managers Ltd. (a) (b) (c)

TSB Unit Trusts (b) (c) (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Vanguard Trust Managers Ltd.

INSURANCES

AA Friendly Society

Abbey Life Assurance Co. Ltd. (y)

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series		Vol	Last	Vol.	Last	Vol.	Last	Stock
		March		June		Sept.		
D FL C	F.270	250	0.30		-		-	F.265
D FL P	F.265	3	1.20					"
D FL P	F.270	50	5.50	50	11.50			"
D FL P	F.275			10	14.50			"
D FL P	F.280	10	14.50		-			"
		May		Aug.		Nov		
GOLD C	$425	67	35	1	52 A	..		$428.50
GOLD C	$450	63	22.50					"
GOLD C	$475	12	14.80	16	31	08	41	"
GOLD C	$500	14	11.50	10	21.50	-		"
GOLD C	$550	15	4.50	5	14 A	6	23.50	-
GOLD P	$350	14	3			.		"
GOLD P	$375	15	8		.		.	"
GOLD P	$400	33	12	3	20	1	22.50	"
GOLD P	$425	30	20	2	26.50			"
GOLD P	$450	10	32			–	...	"
12½ NL 91 87 91								
C	F.130	50	4.70					F.144.90
C	F.135	15	1.50 D			25	5	"
P	F.130			7	2		–	"
P	F.135	15	2.20	500	3.60	-	-	"
10½ NL 82 86 95								
C	F.110	5	3.90	.		.	.	F.115.60
P	F.115			500	2.10	–	..	"
11½ NL 82 88 92								
C	F.112.50			6	5	.	.	F.116.70
C	F.115			10	2.80 A			"
C	F.117.50			50	1.50		1.60	"
C	F.120			3	1			"
P	F.115	200	1		–		.	"
10 NL 82 86 89								
C	F.107.50	30	4.20		.		–	F.111.70
10 NL 82 11 86 89								
C	F.110	5	2.40					F.111.70
P	F.112.50			500	250	.	-	"
7½ NL 82 89 93								
C	F.100	5	1.50			-		F.100.40
C	F.102.50	40	0.50	20	120			"
P	F.100	10	1					"
P	F.102.50	20	2.60					"
7½ NL 83 87 90								
C	F.100	10	0.70	–	–	-	-	F.99.80
P	F.100	10	1.20	-	–	–	–	"
		April		July		Oct.		
ABN C	F.340	46	22	-	–	-	–	F.358.50
AKZO C	F.45	65	6.30	50	8	-	..	F.51.60
AKZO C	F.50	-		59	5.00 A	45	6.50	"
AKZO C	F.55	–		85	3.40	70	4.60	"
AKZO C	F.60			27	1.90	.	-	"
AKZO P	F.45			29	9	.	.	"
AKZO P	F.50			40	0.80 A	-		"
AMRO C	F.45	86	7.50	.	–	-	.	F.52.80
AMRO C	F.50			37	4.90		–	"
CIST C	F.130	50	13.50		-			F.140
CIST C	F.140		–	55	19.50	-	-	"
HEIN C	F.130	153	0.50		-		.	F.127
HOOG C	F.25	-		37	2.50		–	F.23.90
KLM C	F.150	33	17			.		F.165
KLM C	F.160	44	11		-			"
KLM C	F.170	27	5		–	.	.	"
KLM P	F.130	54	0.50		-	.	.	"
KLM P	F.140	130	1.10	–	–		–	"
NEDL C	F.100	25	6.60		.	-	-	F.103.20
NEDL C	F.110	-			..	50	9	"
NEDL P	F.100	26	3		-		.	"
NATN C	F.130	115	9.50			5	11.50	F.139.50
PHIL C	F.30	103	9.30	123	9.40	24	10	F.39.40
PHIL C	F.32.50	110	7 A	85	7	68	7.80	"
PHIL C	F.35	384	4.70	467	5.40	50	6.60	"
PHIL C	F.40	394	1.80	559	2.90	259	4	"
PHIL P	F.35	10	0.30	167	1.10	16	1.50	"
PHIL P	F.40	30	2	190	3.50	3	4	"
RD C	F.90	800	12	44	13	20	14	F.100.30
RD C	F.100	606	4.60	574	6.30	434	9.30 A	"
RD C	F.110	975	1.60	641	3.60	432	4.50	"
RD P	F.80	64	0.40	54	1.80	43	3	"
RD P	F.100	354	3.10	70	6.50	6	7.50	"
RD P	F.110	43	8.50 B	3	12 B	-	–	"
UNIL C	F.220	81	3.20	4	7.50	10	12.50	F.204
		May		Aug.		Nov.		
SIEM C	DM280	25	25 A	-	-	..	--	DM299.50
SIEM C	DM300	-	.	57	20	–	–	"

TOTAL VOLUME IN CONTRACTS 13,271

A = Asked B = Bid C = Call P = Put

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (*328)	260	70	–	–	2	–	–
"	280	50	-	..	4	-	-
"	300	30	38	45	8	16	20
"	330	11	20	83	26	30	36
"	360	4	9	-	50	56	–
CGF (*481)	390	104	110		1½	4	
"	420	74	80	–	0	10	–
"	460	43	60	70	10	22	30
"	500	17	37	44	30	42	52
"	550	8	20	30	70	74	77
"	600	4	9	16	120	124	127
CUD (*99)	70	24	26	28	1½	2	0½
"	80	15	17	19	2	4	6
"	90	7	10	12	0	6	8
"	100	3	5	7	9	11	10
CUA (*134)	120	15	16	–	3	4	–
"	130	6	10	17	9	10	13
"	140	2	6	11	17	19	21
"	160	1	2	5½	36	38	38
CEC (*202)	180	30	38	44	2	5	8
"	197	16	–	–	6	–	–
"	200	-	21	30	–	12	18
"	217	5	–	–	19	–	–
"	220	.	15	90	–	25	30
"	237	2	–	–	36	–	–
"	240	–	6	-	–	40	–
"	260	1	4	–	58	58	–
CM (*350)	240	9	–	–	1	–	–
"	260	99	-		1	–	–
"	280	79	79	..	1	3	–
"	300	52	59		2	4	–
"	300	36	37	44	5	8	10
"	360	10	21	98	17	19	29
"	380	3	12	17	43	45	47
ICI (*398)	280	2	–	–	9	–	–
"	300	104	110	-	9	–	–
"	330	74	80		2	3	–
"	360	44	54	64	4	8	12
"	390	22	36	46	12	18	22
"	420	6	17	24	28	39	03
LS (*315)	240	2	–	–	1	–	..
"	260	59	63	70	1	3	–
"	280	39	43	52	3	5	10
"	300	20	27	35	5	9	13
"	330	7	14	21	18	22	25
M & S (*196)	160	40	-	–	1½	–	–
"	180	22	29	34	3	6	8
"	200	10	19	24	8	14	19
"	220	3	9	14	25	29	01
"	240	1½	4	-	45	47	–

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
BHL (*448)	390	60	66	74	2	5	11
"	420	29	38	48	11	10	90
"	460	8	16	24	39	36	40
BBL (*505)	360	145	150	–	1	2	–
"	390	113	120	–	2	4	–
"	420	85	90	100	2	3	13
"	460	47	50	60	7	15	24
"	500	23	30	40	23	30	35
IMP (*112)	90	86	–	–	1	–	–
"	100	16	–	–	1	–	–
"	110	10	14	17	4	3	8
"	120	5½	8	12	11	12	14
"	100	2	4¼	8	19	20	22
LMO (*208)	220	30	40	50	14	22	00
"	240	80	30	40	20	30	07
"	390	12	20	30	33	46	50
"	200	8	14	18	66	90	66
"	300	4	8	–	76	77	–
"	330	9	4	–	105	107	–
"	360	1½	–	–	105	–	–
"	390	1½	–	–	165	–	–
LNR (*80)	80	8	11	10	3	5	3½
"	90	3	6	7½	8	11	12
"	100	1	3	4½	18	20	21
P & O (*141)	100	43	44	–	1	2	–
"	110	33	34	–	2	2	-
"	190	23	85	28	2	6	10
"	130	14	13	19	4	8	13
"	140	7	10	14	8	16	18
"	160	9¼	–	–	23	–	–
RCL (*479)	420	70	80	93	4	8	19
"	460	06	50	63	14	23	34
"	500	14	60	40	32	49	33
"	550	5	13	–	75	80	–
"	600	2	6	–	125	130	–
"	650	1	–	–	175	–	–
RTZ (*317)	390	133	–	–	1	3	–
"	420	105	110	–	9	–	–
"	460	65	80	–	7	11	–
"	500	42	60	72	18	32	37
"	550	18	30	49	44	62	60
VRF (*$103)	55	–	–	–	1	–	–
"	60	–	–	–	1	–	–
"	70	2	–	–	1	–	–
"	80	9	–	–	2	–	–
"	90	16½	21½	–	4½	7	–
"	100	11	16	18½	8	11¼	13¼
"	110	7½	10½	13	14	17	20
"	190	5	7½	10	20	23	25¼
"	130	3	5	7	28	28	01½
"	140	1¼	4	5	38	–	40

Mar. 14 Total Contracts 1627 Calls 1122 Puts 505

هكذا أصل الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum	106.9	112.6		—
Do. Initial	105.6	111.2		—
Man Pens Accum	225.2	231.1		—
Do. Initial	190.0	200.0		—
Gilt-Edg Pens Accum	196.4	206.8		—
Do. Initial	159.9	168.4		—
Money Pens Accum	176.2	185.5		—
Do. Initial	145.0	152.7		—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd		220.02		—
Managed Inv Fd	149.52	157.39		—
Property Fd	145.74	153.42		—
Fixed Interest Fd.	136.62	143.82		—
Cash Fd	131.76	138.70		—
Income Fd	154.17	162.29		—
Extra Income Fd.	142.35	149.85		—
Worldwide Growth Fd	201.45	212.06		—
Balanced Fd.	162.10	170.64		—
Smlr Co's & Recy. Fd	194.48	204.72		—
Int. Technology Fd	233.16	245.44		—
Nth. Amer. & Gen Fd	149.45	157.32		—
Energy Int. Fd.	89.48	94.19		—
Pacific Basin Fund	118.97	125.24		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Equity	95.3	100.4		—
International	111.6	117.4		—
Property	106.6	112.2		—
Deposit	96.0	101.1		—
Fixed Interest	95.3	100.4		—
Managed	102.9	108.3		—
Equity Pens Cap	94.8	99.8		—
Intnl. Pens Cap.	115.5	121.5		—
Property Pens Cap	109.3	115.0		—
Deposit Pens Cap	95.6	100.6		—
Fixed Int Pens Cap	94.9	99.9		—
Managed Pens Cap	104.5	109.8		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1		85.2		—
Rtmt. Fed. Feb 8		224.8		—
Managed Pen Fund	162.3	170.8		—
Property Pen Fund	110.0	115.8		—
Index Lnkd Pen Fund	119.5	125.8		—
Managed	109.8	115.6	+0.3	—
Property	97.8	103.0		—
Gilt and Fixed Interest	98.7	103.9	+0.2	—
Index-Linked	103.3	108.8		—
Equity	111.8	117.7	+0.1	—
Cash	98.8	104.1	+0.3	—
Midland Bk. Unit Tst.	107.4	113.1	+0.1	—
Midland Bank Intnl.	126.9	133.6	−0.1	—

Cannon Assurance Ltd.
3 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units; Property Units; Equity Bond/Exec; Prop. Bond/Exec; Bal. Bd./Exec/Unit; 2nd Equity Acc; 2nd High Inc/Acc; 2nd Property Acc; 2nd Managed Acc; 2nd Deposit Acc; 2nd Gilt Acc; 2nd American Acc; 2nd Intl Money Acc; 2nd Index Acc; 2nd Eq. Pens./Acc; 2nd Hi Int Pens/Acc; 2nd Prp. Pens/Acc; 2nd Mgd. Pens/Acc; 2nd Dep. Pens/Acc; Gilt Pens/Acc; 2nd Am. Pens/Acc; 2nd Intl. Money Pens/Acc; 2nd Index Pens./Acc; L & E S.I.F.; L & E S.I.F. 2 — [illegible]

Current value March 11.

Capital Life Assurance
Coniston House, Chapel Ash W'ton. 0902 28511

Key Invest. Fd.	115.71	—		—
Pacemaker Inv.Fd.	107.52	—		—

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-283 3933

Managed Growth	179.33	188.77	+0.47	—
Managed Income	86.65	90.58	+0.13	—
International	103.29	108.73	+0.15	—
High Income	104.67	110.18	−0.15	—
Income & Growth	103.84	109.30	−0.01	—
Basic Resources	120.56	126.91	−0.31	—
American	180.15	189.64	+0.76	—
Far Eastern (z)	170.49	179.47		—
Smaller Cos	142.15	149.62	−0.38	—

City of Westminster Assurance
Sentry House, 500, Avebury Boulevard, Central Milton Keynes MK9 2LA. 0908-606101

Fund currently closed to new investment. For Pension Prices please phone 0908 606101. Series (2) Prices are for policies issued after 1.1.1980. Series (1) These are bid prices for earlier policies.

Clerical Medical & Gen. Life Ass. Soc.
15, St. James's Sq., SW1Y 4LQ. 01-930 5474

Prices March 9. Unit dealings on Wednesday.

Clerical Medical Managed Funds Ltd.
15 St James's Square, SW1Y 4LQ 01-930 5474

Prices March 9. Unit dealings on Wednesday.

Commercial Union Group
St. Helen's, 1, Undershaft, EC3. 01-283 7500

See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

Confederation Life Insurance Co.
50, Chancery Lane, WC2A 1HE. 01-242 0282

Continental Life Insurance PLC
64/70 High St., Croydon CR0 9XN 01-680 5225

Cornhill Insurance PLC
57 Ladymead, Guildford. 0483 68161.

Credit & Commerce Insurance Co. (UK)
CCI Hse., Hengage Lane, EC3A 5DQ. 01-283 2411.

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	124.4	131.0	+1.0	—
GT Pln High Yld Fnd	110.9	116.8		—
GT Plan Far East Fnd	97.3	102.5		—
GT Pln N Am Fund	150.1	158.1		—
GT Pln UK&G E Fnd	127.3	134.1		—
GT Pln Wrldwde Fnd	121.0	127.4		—
GT Pension Bnd Fnd	131.0	137.9	+0.8	—
GT Pen High Yld FD	124.8	131.4		—
GT Pen Far East Fd	106.3	111.9		—
GT Pen N Am Fd	193.5	203.7		—
GT Pen UK & C E Fd	141.9	149.4		—
GT Pen Worldwide FD	128.5	135.3		—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733
Intl. Managed Bond 161.30 169.79 —

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts Waltham X 31971

Portfolio Fd. Acc.		228.3		—
Portfolio Fd. Init.		193.8		—
Portfolio Fd. Cap.		220.8		—
Investment A uts	228.2	240.3		—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,413		—
Landbank Secs.		62.7		—
Landbank Sec. Acc.	172.4	176.8		—
G. & S. Super Fd.		£10.638		—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance: Property Bonds 298.7 311.1 —

GRE Linked Assurance Limited: Managed Initial 191.6 201.7 −0.1; Do. Accum. 209.9 221.0; Equity Initial 239.2 251.8 −0.3; Do. Accum. 262.6 275.8 −0.3; Fixed Int. Initial 185.9 195.6 −1.0; Do. Accum. 201.5 212.1 −1.0; International Initial 194.3 204.5 −0.4; Do. Accum. 212.8 224.0 −0.4; Property Initial 122.2 128.6; Do. Accum. 133.7 140.7; Deposit Initial 120.2 126.5; Do. Accum. 131.7 138.6

GRE Pensions Management Ltd.: Pens. Managed Initial 186.3 196.1 −0.4; Pens. Managed Acc. 199.5 210.0 −0.3; Pens. Equity Initial 232.3 244.5 −0.3; Pens. Equity Acc. 248.7 261.8 −0.2; Pens. Fxd. Int. Initial 181.8 191.4 −0.9; Pens. Fixed Int. Acc. 194.7 204.9 −0.9; Pens. Int'l Initial 179.4 188.9 +0.1; Pens. Int'l. Acc. 192.1 202.2 +0.1; Pens. Prop. Initial 122.6 129.0; Pens. Prop. Acc. 131.1 138.0; Pens. Depos. Initial 131.4 138.3 +0.1; Pens. Depos. Acc. 140.7 148.1 +0.2

Hambro Life Assurance P.L.C.
Hambro Life Centre, Swindon SN1 1EL. 0793 28291

Hearts of Oak Benefit Society
129, Kingsway, London, WC2B 6NF 01-404 0393

Property Fund	46.5	50.3		—
Managed Fund	120.0	127.0		—

Henderson Administration
11 Austin Friars, London, EC2. 01-588 3622
See Currencies page Mon-Fri and Stock Exchange Dealings page Sat.

Hill Samuel Life Assur. Ltd.
NLA Twr., Addiscombe Rd., Croy. 01-686 4355

Imperial Life Ass. Co. of Canada
Imperial House, Guildford. 571255

Irish Life Assurance Co. Ltd.
Basildon House, 7/11 Moorgate, EC2. 01-606 8401

Langham Life Assur. Co. Ltd.
Langham Hse., Holmbrook Dr., NW4. 01-203 5211

Legal & General (Unit Assur.) Ltd.
Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU. Burgh Heath 53456

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393
'Asset Builder' 60.9 64.1 —

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr Mar 15	56.7	61.2	+1.3	—
M M Flexible Mar 3	47.7	50.3		—
Fixed Interest Mar 1	52.3	55.1		—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279379

Equity	212.4	218.7		—
Fixed Interest	154.1	154.8		—
Property	158.7	163.4		—
Deposit	137.9	137.9		—
Mixed	180.4	185.9		—
Indexed Stk.	113.4	113.9		—

London Life Managed Funds Ltd.

Equity (P.1.)	149.2	154.4		—
Fixed Int. (P.)	154.8	155.9		—
Property (P.1.)	116.1	120.7		—
Deposit (P.1.)	115.3	115.3		—
Mixed (P.)	141.6	145.2		—
Indexed Stock (P.1.)	119.4	120.2		—

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	268.6	—	+0.6	—
Invest. Tst. Fd. Acc.	277.9	—	+0.8	8.9
Property Fund Cap.	116.1	—		—
Property Fund Acc.	120.0	—		3.3
Flexible Fund Cap	175.3	—	+0.9	—
Flexible Fund Acc.	181.0	—	−0.9	2.8
Fixed Int. Fd. Cap.	135.3	—	−1.4	—
Fixed Int. Fd. Acc.	140.1	—	−1.4	—
Gtd. Deposit Fd. Cap.	137.2	—	+0.1	—
Gtd. Deposit Fd. Acc.	140.9	—	+0.1	—
Equity Fund Cap	139.9	—	−1.0	—
Equity Fund Acc.	144.2	—	−1.0	—
International Fd. Cap	134.1	—	+2.7	—
International Fd Acc.	138.1	—	+1.4	—
Capital Gwth. Fd.	396.3	—	−0.2	—
Moneymaker Fund	158.7	—	−0.8	—
Exempt Inv Tst Cap	372.6	—	+0.8	—
Exempt Inv Tst Acc.	376.3	—	+0.9	—
Exempt Inv Tst NS	375.1	—	+0.9	4.9
Exempt Ppty Cap	182.4	—	+0.1	—
Exempt Ppty Acc	184.2	—	+0.1	—
Exempt Ppty NS	103.9	—	+0.1	2.4
Exempt Flex Cap	234.3	—	−1.4	—
Exempt Flex Acc	236.1	—	−1.3	—
Exempt Flex NS	236.3	—	−1.3	2.6
Exempt Equity Cap	107.1	—	−0.6	—
Exempt Equity Acc	108.2	—	−0.5	—
Exempt Fxd Int Cap	101.5	—	−0.8	—
Exempt Fxd Int Acc	102.5	—	−0.8	—
Exempt Gtd Dep Cap	101.0	—		—
Exempt Gtd Dep Acc	102.1	—	+0.1	—

*Addition to price where reduced mngt. charges apply.

M & G Group
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588.

American Fund Bond	123.3	129.6	+0.5	—
American Rec. Bond	171.5	180.2	+0.2	—
Australasia Bond	84.3	88.6	+0.1	—
Commodity Bond	130.6	136.2		—
Convert Deposit Bond	173.1	181.9	+0.1	—
Equity Bond (Acc)	263.7	277.0	+1.3	—
Extra Yield Fd. Bond	130.6	137.2	−1.2	—
Far Eastern Bond	107.2	112.7		—
Gilt Bond	171.5	180.1	−1.3	—
Gold Bond	98.3	103.3	−1.0	—
High Yield Bond	111.7	117.4	−0.4	7.80
Index-Linked Gt Bd	103.3	108.6		—
International Bond	191.9	201.6	+0.4	—
Japan Fund Bond	74.1	78.0	+0.3	—
Managed Bond	244.3	256.6	−0.2	—
Property Bond	243.5	255.7		—
Recovery Fund Bond	111.9	117.6	−0.1	—
Family Bond		366.2		—

Exempt Pensions Funds March 8.

Manufacturers Life Insurance Co.
St. George's Way, Stevenage. 0438 56101

Merchant Investors Assurance
Leon House, 233 High St., Croydon 01-686 9171

Multiple Health and Life Assur. Co. Ltd.
Stephenson House, Brunel Centre, Bletchley, Milton Keynes. 0908 641272.

NEL Pensions Ltd.
Milton Court, Dorking, Surrey. 0306 887766

Next sub day March 25.

National Provident Institution
48, Gracechurch St., EC3P 3HH. 01-623 4200.

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		282.0		—
Property Fund (A)		274.6		—
Agricultural Fund		1052.7		—
Agric. Fund (A)		1026.8		—
Abbey Nat. Fund		223.2		—
Abbey Nat. Fd. (A)		222.4		—
Investment Fund		130.3		—
Investment Fund (A)		128.5		—
Equity Fund		391.2	−0.5	—
Equity Fund (A)		385.0	−0.5	—
Money Fund		207.0		—
Money Fund (A)		203.5		—
Actuarial Fund		201.0		—
Gilt-edged Fund		184.3	+0.9	—
Gilt-Edged Fd. (A)		184.1	+0.9	—
Retire Annuity		342.7		—
Immed. Ann'ty		194.0		—
International Fd.		237.5	+0.8	—

Property Gth Pens & Annuities Ltd

All Wther Ac. Uts.	237.4	250.0		—
Inv. Fd. Uts.		266.8		—
Pension Fd. Uts.		238.0		—
Conv. Pens. Fd.		268.8		—
Cnv. Pns. Cap. Ut.		295.5		—
Man. Pens. Fd.		310.0		—
Man. Pens. Cap. Ut.		246.0		—
Prop. Pens. Fd.		267.4		—
Prop. Pens. Cap. Uts.		207.2		—
Bldg. Soc. Pen. Ut.		238.3		—
Bldg. Soc. Cap. Ut.		186.9		—
Gilts Pens. Fd.		160.0	+1.0	—
Gilts Pens. Fd. Cap.		143.1	+1.0	—
Equity Pens. Fd.		235.0	+0.4	—
Equity Pens. Fd. Cap.		210.1	+0.4	—

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	97.4	102.8	+0.6	—
Fixed Interest Acc.	88.8	93.7	+0.4	—
Intnl. Acc.	76.8	81.1	+0.2	—
Managed Acc.	86.9	91.6	+0.3	—
Property Acc.	107.1	113.0	+0.2	—
Money Acc.	71.6	75.5		—
Special Market Acc.	64.1	67.7	−0.6	—
Japan Acc.	50.9	53.7	−0.4	—
North America Acc.	71.2	75.2	−0.2	—
Pacific Acc.	43.6	46.0	+1.1	—
Technology Acc.	56.0	59.1	+0.6	—
Nat. Resources Acc.	48.1	50.8		—

Individual Pension Funds:

Equity Acc.	85.4	90.3	+0.7	—
Fixed Interest Acc.	89.2	94.1	+0.6	—
Intnl. Acc.	83.9	88.6	+0.1	—
Managed Acc.	80.9	85.3	+0.4	—
Property Acc.	74.3	78.4	+0.1	—
Money Acc.	64.1	67.7	+0.1	—

Group Pension Funds:

Equity	298.7	308.0	+2.7	—
Fixed Interest	251.1	258.9	+1.9	—

Provident Mutual Life Assc. Assn.
Willian Rd., Hitchin, Herts, SG4 0LP 0462-52991

Managed Ord	114.1	120.1	+0.1	—
Managed Init	112.5	118.4	+0.1	—
Equity Ord.	117.7	123.9	+0.3	—
Equity Init	116.0	122.1	+0.3	—
Overseas Equity Ord	133.3	140.3	−0.6	—
Overseas Equity Init.	133.4	138.3	−0.6	—
Property Ord	98.1	103.3		—
Property Init	96.7	101.8		—
Fixed Interest Ord	100.5	105.8	+0.4	—
Fixed Interest Init	99.0	104.2	+0.3	—
Deposit Ord	97.6	102.7		—
Deposit Init	96.2	101.3		—

Pension Funds:

Managed Ord.	117.2	123.4	+0.2	—
Managed Init.	115.5	121.6	+0.2	—
Equity Ord.	121.0	127.4	+0.3	—
Equity Init.	119.3	125.6	+0.3	—
Overseas Equity Ord.	138.6	145.9	−0.6	—
Overseas Equity Init.	136.6	143.8	−0.6	—
Property Ord.	99.3	104.5		—
Property Init.	97.9	103.1		—
Fixed Interest Ord.	102.2	107.6	+0.5	—
Fixed Interest Init.	100.7	106.0	+0.5	—
Deposit Ord.	99.3	104.5		—
Deposit Init.	97.9	103.1	+0.2	—

Provincial Life Assurance Co. Ltd.
222, Bishopsgate, EC2. 01-247 6533

Prudential Assurance Co.
Holborn Bars, EC1N 2NH. 01-405 9222
Managed 108.9 113.5 —

Prudential Pensions Limited
Holborn Bars, EC1N 2NH. 01-405 9222

Refuge Investments Limited
103 Oxford St., Manchester 061-236 9432

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271

Royal Life Insurance Ltd.
New Hall Place, Liverpool L69 3HS 051-227 4422
Royal Shield Fd. 300.6 318.0 −0.1 —

Royal Life (Unit Linked Assurances) Ltd.

Royal Life (Unit Lnkd. Pension Fds.) Ltd.

Save & Prosper Group
4, Gt St Helen's, London EC3P 3EP. 0708-66966

Prices on March 10. ‡Weekly dealings. Continued on Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

Schroder Life Assurance Ltd.
Enterprise House, Portsmouth. 0705 827733

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

Scottish Mutual Assurance Society

Scottish Widows' Group

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552

Managed	188.6	198.6	+0.2	—
Property	142.6	150.2		—
Equity	213.2	224.5	−0.3	—
International	202.8	213.5	−0.4	—
Fixed Interest	157.8	166.2	+0.1	—
Index Linked	102.6	108.0	−0.1	—
Cash	126.4	133.1	+0.1	—
Pension Managed	214.8	226.2	+0.3	—
Pension Property	143.0	150.6	+0.1	—
Pension Equity	243.7	256.6	−0.3	—
Pension Intl	237.0	249.5	+1.3	—
Pension Fxd. Int.	161.9	172.6	+0.1	—
Pension Index Linked	103.9	109.4		—
Pension Cash	139.7	147.1	+0.1	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

Index Linked Fund	108.0	114.6	−0.1	—
Equity Fund	281.8	297.9	+0.2	—
Fixed Interest Fund	187.0	196.9	+3.0	—
Property Fund	205.1	215.9		—
International Fd.	168.2	177.1	−0.5	—
Deposit Fund	139.7	147.1		—
Managed Fund	225.0	236.9		—
Intl. Bond Mar 8	£20.03	—		—

Individual Pension Funds:

Index Linked	129.3	135.1		—
Equity	137.1	144.4	+0.7	—
Fixed Int.	150.4	158.4	+0.8	—
Property	103.6	109.1		—
International	139.1	146.5	−0.3	—
Deposit	106.5	112.2		—
Managed	138.3	145.6	+0.3	—

*Group Pension funds—Prices available on request.

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930 5400

Maple Leaf Plans				
Growth Account	388.4	—	+1.9	—
Managed Account	246.6	—	+4.3	—
Equity Account	361.9	—		—
Managed Fd. Accum.	118.4	124.7	+1.0	—
Equity Fd. Accum.	119.8	126.3	+2.1	—
Property Fd. Accum.	101.2	106.5	+0.1	—
Fixed Int. Fd. Accum.	116.9	123.1	+0.5	—
Intnl. Fd. Accum.	144.2	151.8	−0.8	—
Money Fd. Accum.	101.9	107.3	+0.2	—
Index-Ld.Scs. Fd.Accm.	107.1	112.8	−0.2	—
Pension Plans				
Pers. Pens. Account	411.4	—		—
Pens. Mgd. Acc. Accm.	193.0	203.2		—

Sun Life Unit Assurance Ltd.
107, Cheapside, London, EC2V 6DU. 0272-299 524

Managed Cap.	227.6	239.6	+1.0	—
Managed Acc.	250.1	263.3	+1.1	—
Property Cap.	164.7	173.4		—
Property Acc.	182.5	192.2		—
Equity Cap.	297.7	313.4	+3.0	—
Equity Acc.	330.3	347.7	+3.5	—
Fixed Interest Cap.	146.7	154.5	+0.7	—
Fixed Interest Acc.	162.7	171.3	+0.8	—
Cash Cap.	131.9	138.9		—
Cash Acc.	146.3	154.0	+0.1	—
International Cap.	164.5	173.2	−0.2	—
International Acc.	181.5	191.1	+0.2	—
American Cap.	159.6	168.0	−1.2	—
American Acc.	176.9	186.3	−1.3	—
Far Eastern Cap.	150.0	157.9	+0.1	—
Far Eastern Acc.	165.7	174.5	+0.4	—
Distribution	125.6	132.3	+0.4	9.19

Sun Life Pension Management Ltd.
(funds for individual pension contracts)

Pens. Managed Cap.	195.6	205.9	+0.1	—
Pens. Managed Acc.	216.2	227.6	+0.3	—
Pens. Property Cap.	120.6	127.0	−0.1	—
Pens. Property Acc.	133.1	140.2		—
Pens. Equity Cap.	239.1	251.7	−0.4	—
Pens. Equity Acc.	263.6	277.5	−0.3	—
Pens. F. Interest Cap.	124.8	131.4	+0.5	—
Pens. F. Interest Acc.	137.7	145.0	+0.6	—
Pens. Cash Cap.	121.5	127.9		—
Pens. Cash Acc.	133.0	140.0	+0.1	—
Pens. Intnl. Cap.	172.5	181.6	+0.2	—
Pens. Intnl. Acc.	189.9	199.9	+0.2	—
Pens. American Cap.	133.9	141.0	+0.6	—
Pens. American Acc.	147.6	155.4	+0.6	—
Pens. Far Estn. Cap.	201.7	212.4	+1.6	—
Pens. Far Estn. Acc.	221.5	233.2	+1.6	—

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.
55-57, High Holborn, WC1V 6DU.

Trident Life Assurance Co. Ltd

TSB Life Ltd.
See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

Tyndall Assurance/Pensions
18, Canynge Road, Bristol. 0272 732241

Vanbrugh Life Assurance (z)
41-43 Maddox St., Ldn. W1R 9LA 01-499 4923

Vanbrugh Pension Limited (z)
41-43, Maddox St., Ldn. W1R 9LA 01-499 4923

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Albany $ Fd (CI) $232.90 236.58 1.26
Next dealing March 25.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.

Andover Futures Ltd. (Adv: Thomtc)

Arbuthnot Securities (C.I.) Ltd. (a)(c)(h)
P.O. Box 428, St. Helier, Jersey. 0534 76077

S.I.A. Bond Investments AG
10, Baarerstrasse CH6301, Zug, Switzerland

Baerbank (Overseas) Ltd.
West Wind Building, Grand Cayman

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.
Wldinvest Income 111.12 121.74 24.58
Prices at Feb 16. Next sub day Feb 23.

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unicorn Trust	44.5	46.3		11.20
Unidollar Trust	$14.11	15.14		2.00
Unibond Trust	$94.01	94.77		10.80

1, Thomas St, Douglas, Isle of Man 0624 4856

Uni-Australian Tst	57.5	61.9		1.90
Uni-Aust. Mineral Tst.	48.9	52.6		2.10
Uni-Pacific Trust	112.4	142.4		—
Uni-International Tst.	62.2	66.9		1.6

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC* Mar 7	$60.36	64.18		—
COUNT** Mar 7	£3.784	4.013		1.10
CANRHO** Mar 7	£2.202	2.335		—
MAPSA* Jan 5	$10.55	11.22		—

Original issue *$10 and **£1. Next val. Apr 5.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bashi Feb 28		Y31,231		—
Nippon Fd Mar 9	$23.75	24.78		1.19

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534-73134

U.S. Dollar Denominated Funds:

AmSmallerCos. Fd.	$2.029	2.181		—
Dollar Inc Fd.	$0.804	0.860		12.00
$ Mngd Curr'cy Fd	$9.86	10.38		5.40
First Intnl.	$21.65	22.83		—
Gold Fund	$1.163	1.251	−0.02	5.30
Normandie In SFdr	$11.13	11.77		—
Universal Grwth Fd	$0.967	1.040	+0.001	—

†New dealings March 21

Sterling Denominated Funds:

American Invests	78.8	82.9	−0.4	3.00
Australian Perf FD	60.9	65.5		—
Far East Fund	111.2	119.6	+0.7	1.00
Jersey Energy Tst	13.4	26.4	+0.3	1.50
Jersey Gilt	22.4	23.7	+0.1	11.60
UK Growth Fund	53.3	57.3		3.34
USM Fund	135.1	145.3	+0.7	—

Sterling Deposit Funds:

Mngd Currency Fd	£13.49	14.20	−0.05	5.70
Cap Dep Tst**	£13.18	13.19	−0.03	0.25

Britannia Fund Managers I.O.M.
1, Thomas Street, Douglas, I.o.M. 0624 4856
Gilt Trust (I.O.M.) 98.1 100.6 +0.3 11.30
All Jersey Fund's Deal Daily Except **Tuesday Weekly—Capital Return 9.58%.

Brown Shipley Tst. Co. (Jersey) Ltd.
P.O. Box 583, St. Helier, Jersey. 0534 74777

Sterling Bd. Fd. (h)	£10.41	10.46	+0.11	12.30
Sterling Cap. Fd. (a)	£15.45	15.46		—
Int. Cur. Fd. (a)(h)	£1.11	1.17		—

Butterfield Management Co. Ltd.
P.O. Box 195, Hamilton, Bermuda.

Buttress Equity	$5.23	5.46		0.92
Buttress Income	2.71	2.86		13.70

Prices at March 7. Next sub day April 11.

CAL Investments (I.o.M.) Limited
CAL Investments (Bermuda) Limited
See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

Capital Asset Managers Ltd.
Bermuda Hsr, St. Julians Ave, St. Peter Port, Guernsey C.I. 0481 26268
The Currency Trust 75.0 79.0 1.08

Capital International Fund S.A.
43 Boulevard Royal, Luxembourg
Capital Int. Fund $30.20 —

Charterhouse Japhet
1 Paternoster Row, EC4 01-248 3999

Emperor Fund*	$9.67	10.16		—
Hispano	$32.31	33.95		8.46

*Prices at Feb 28. Next sub day Mar 15.

Charterhouse Japhet Currency Mngt. Ltd.
Channel Hsr., St. Helier, Jersey. 0534 74689

Central Assets Currency Funds Ltd.

US$	—	11.04		—
£ Sterling	—	11.29	−0.07	—
D Marks	—	42.52	−0.01	—

Cornhill Ins. (Guernsey) Ltd.

Corinex International

Dreyfus Intercontinental Inv. Fd.

Duncan Lawrie Inv. Mgt. Ltd.

Ermitage Management Ltd.
Grenville Hse., St. Helier, Jersey, C.I. 0534 76007.

Eurobond Holdings N.V.
Pietermaai 15, Willemstad, Curacao.
London Agents: Intel 1/3 Worship St., London EC2 Tel 01-638 6011. Telex: 8814408.
Euro Hldgs. $22.25 23.35 9.50

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury Hse, London Wall EC2M 5TA. Tel. 01-920 0776 Telex 887281
Europe-Obligations $46.13 — −0.04 1.28

Eurotax Investments Ltd.
1, Athol St., Douglas, Isle of Man.
UK Agents FIS, St. Albans. 0727 33166
Eurotax In.Fd. Jan. 28 113.6 120.6

Executive Life (C.I.F. Managers Ltd.)
P.O. Box 1063 Grand Cayman B.W.I.
Trans Atlntc Gwth Fd $11.12

F & C Mngmt. Ltd. Inv. Advisers
1, Laurence Pountney Hill, EC4 01-623 4680

F&C Atlantic Fd. SA	$16.42		+0.09	1.84
F&C Oriental Fd.	$29.31		+0.09	1.04

Prices Mar 9. Weekly dealings.

Fidelity International
8 Greenway House, Queen St., St. Helier, Jersey C1 0534 71696 Dealers: 33201.
P.O. Box 670, Hamilton, Bermuda.

Continued on Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

Fleming Japan Fund S.A.
37, rue Notre-Dame, Luxembourg
Fleming March 8 $52.22

Frankfurt Trust Investment—GmbH
Wiesenau 1, D-6000 Frankfurt

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV Feb 28 $101.71

G. T. Management (U.K.) Ltd.
Park Hse., 16 Finsbury Circus.
Tel: 01-628 8131. Tlx: 886100.
London Agents for:

Gartmore Fund Managers Ldn. Agents
2, St. Mary Axe, London, EC3. 01-623 1213

Gartmore Fund Managers (C.I.) Ltd. (a) (h)
41, Broad St., St. Helier, Jersey. 0534-73741

Gartmore Fd Managers (Far East) Ltd.(a)(h)
1608 Hutchison Hse., 10 Harcourt Rd., H. Kong.

Gartmore Fund Managers (IOM) (n)
P.O. Box 32, Douglas, Isle of Man Tel. 0624 23911

Assicurazioni GENERALI S.p.A.
P.O. Box 132, St. Peter Port, Guernsey, C.I.

Granville Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Granville Inv. Tst. 9.12 9.52 3.94
Next dealing day March 23.

Grindlays Investment Mngt. Ltd.
PO Box 414, St. Helier, Jersey. 0534 74248

Guinness Mahon Int. Fund (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506
Prices at Mar 3. Next dealing Mar 17.

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey 0481 26521

Henderson Admin. & Man. (Guernsey)
PO Box 71, St. Peter Port, Guernsey 0481 26541

Henderson Baring Group
1901, Edinburg Tower, Hongkong.

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.
Guernsey Tst. 261.6 279.8 +0.1 2.65

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63, Jersey 0534 76029

Box 2622, Berne, Switzerland. Telex 33425.

HK Fund Managers (Jersey) Ltd.
Queens Hse., Don Rd., St Helier, CI. 0534 71460

HK Gilt Fund Acc.	113.6	117.0		—
HK Gilt Fund (Dist.)	106.0	110.0	−1.0	11.82

I.C. Trust Managers Ltd.
10, St. Georges St., Douglas, IoM 0624 25015
Intl. Commodities Tst 125.0 132.1 —
Next dealing day April 6.

IGF Management Services Inc.,
c/o Registrars, P.O. Box 1044, Cayman Is., BWI.
Interntl. Gold Fund $144.73 151.97 2.91

H.V. Interbeheer
P.O. Box 526, Delft, Holland

International Bond Trust
2, Boulevard Royal, Luxembourg

Cls. 9 NAV March 11	$11.53		−0.04	—
Cls. 0 NAV March 11	$12.77		−0.04	—

International Pacific Inv. Mgmt. Ltd.
P.O. Box R237, 56, Pitt St., Sydney, Aust.
Javelin Equity Tst. A$3.42 3.50 +0.02 8.40

Invicta Investment Management
1 Charing Cross, St. Helier, Jersey. 0534 73741.

Gilt Growth Fund	13.22	13.81		1.26
Gilt Income Fund	9.60	10.03		11.96

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Quilter/Heinold Commodities
31-45 Gresham Street, EC2V 7LH 01-600 4177

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, I.O.M. 0624 23914

Rothschild Asset Management (C.I.)
St Julian's Ct, St Peter Pt, Guernsey 0481 27042

OC Intnl. Reserves Ltd. 0481 26741-26331
See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

Royal Bank of Canada Funds
RBC Invest Managers Ltd
PO Box 246, St Peter Port, Guernsey 0481 23021

Save & Prosper International
Dealing to
P.O. Box 73, St. Helier, Jersey 0534 73933

Schroder Mngt. Services (Jersey) Ltd.
P.O. Box 195, St. Helier, Jersey 0534 27561
See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sats.

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2. 01-588 4000.

Schroder Unit Trust Mgrs. Intl. Ltd.
Box 273 St. Peter Port, Guernsey 0481 28750

Tyndall Bank Isle of Man Ltd.
30, Athol St., Douglas, Isle of Man 0624 29201

Tyndall Group
2 New St., St. Helier, Jersey. 0534 37331/3

Tyndall-Guardian Mngmt. Ltd.
See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

M. G. Tyrrell & Co. Ltd.
P.O. Box 915, London W13 9NY

Unico Invest Fd Mgt Co SA Lux
London & Continental Bankers Ltd.
2, Throgmorton Ave., London. 01-638 6111

Union-Investment-Gesellschaft mbH
Postfach 16767, D 6000 Frankfurt 16.

V.C.A. Financial Management Ltd.
42, Essex Street, London, WC2. 01-353 6845

Vanbrugh Fund Mngmt. Intl. Ltd.
28-34 Hill St, St Helier, Jersey. 0534 36281
Vanbrugh Currency 126.9 127.1 −0.4 7.82

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2 01-600 4555

Warburg Invest. Mngt. (I.O.M.) Ltd.
1 Thomas St, Douglas, Isle of Man. 0624 4856

Warburg Invest. Mngt. Jrsy. Ltd.
39-41 Broad Street, St. Helier, Jsy CI 0534 74715

Wardley Investment Services Ltd.
4th Floor, Hutchison House, Hong Kong

Westavon Secs. (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Wren Commodity Management Ltd.
10, St George's St., Douglas IoM 0624 25015

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneva 11 (Switzerland).

Lloyds Bank International, Guernsey
P.O. Box 136, Guernsey. 0481 26761
Net asset value February 28.

Louis Dreyfus Commodity Fund
c/o Trustee, P.O. Box 1092, Cayman Islands.
March 11. Valuation $5,503.02.

M & G Group
Three Quays, Tower Hill EC3R 6BQ 01-626 4588

Management International Ltd.
Bk. of Bermuda Bldg., Bermuda. 809-295-4000
Prices on March 11. Next dealing March 18.

Manufacturers Hanover Asset Mgt
PO Box 92, St Peter Port, Guernsey. 0481 23961

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey 0534 36281

Minerals, Oils Res. Shrs. Fd. Inc.
PO Box 194, St Helier, Jersey. 0534 27441

Samuel Montagu Ldn. Agents
114 Old Broad St., EC2. 01-588 6464

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521

Nat. Westminster Jersey Fd. Mgrs. Ltd.
23-25 Broad St., St. Helier, Jersey. 0534 70041
*Sub. day every Thurs.

Negit S.A.
10a Boulevard Royal, Luxembourg
NAV March 14 $9.51 −0.75

N.E.L. International Ltd.
P.O. Box 119, St Peter Port, Guernsey, C.I.

Newport International Management
Bk. of Bermuda Bldg., Bermuda 809 295 4000

Normandy Trust Managers Ltd.
29, Athol Street, Douglas, I.o.M. 0624 21724

Northgate Unit Tst. Mgrs. (Jersey) Ltd.
P.O. Box 82, St. Helier, Jersey 0534 73741
Pacific Fd Mar 9 $9.91 10.67 —

Pacific Basin Fund
10a Boulevard Royal, Luxembourg.
Inv. Adv.: M. & G. Inv. Mngt. Ltd., London.

Perpetual U.T. Mgrs (Jersey) Ltd.
See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741

Providence Capitol International Ltd.
PO Box 121, St Peter Port, Guernsey 0481 26726/9
Savings Target Rate 57/9
Prices on Mar 2. Next dealing Mar 9

Quest Fund Man. (Jersey) Ltd.
PO Box 194 St Helier Jersey. 0534 27441

Quest Stlg. Fxd. Int	£0.003	0.850		10.59
Quest Intl Secs.	$1.030	1.087		1.29
Quest Intl Bd	$0.853	0.903		11.63

Prices on March 9. Next dealing March 16

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. 9 Guernsey gross. ø Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

BASE LENDING RATES

A.B.N. Bank	11 %	■ Hambros Bank	11 %
Allied Irish Bank	11 %	Hargrave Secs. Ltd.	11 %
Amro Bank	11 %	Heritable & Gen. Trust	11 %
Henry Ansbacher	11 %	■ Hill Samuel	§11 %
Arbuthnot Latham	11 %	C. Hoare & Co.	†11 %
Armco Trust Ltd.	11 %	Hongkong & Shanghai	11 %
Associates Cap. Corp.	11 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	11 %	Knowsley & Co. Ltd.	11½%
Bank Hapoalim BM	11 %	Lloyds Bank	11 %
BCCI	11 %	Mallinhall Limited	11 %
Bank of Ireland	11 %	Edward Manson & Co.	12 %
Bank Leumi (UK) plc	11 %	Midland Bank	11 %
Bank of Cyprus	11 %	■ Morgan Grenfell	11 %
Bank Street Sec. Ltd.	10½%	National Westminster	11 %
Banque Belge Ltd.	11 %	Norwich Gen. Tst.	11 %
Banque du Rhone	12 %	P. S. Refson & Co.	11 %
Barclays Bank	11 %	Royal Trust Co. Canada	11 %
Beneficial Trust Ltd.	12 %	Roxburghe Guarantee	11½%
Bremar Holdings Ltd.	12 %	Slavenburg's Bank	11 %
Brit. Bank of Mid. East	11 %	Standard Chartered	‖11 %
■ Brown Shipley	11 %	Trade Dev. Bank	11 %
Canada Perm't Trust	11½%	Trustee Savings Bank	11 %
Castle Court Trust Ltd.	11½%	TCB	11 %
Cayzer Ltd.	11 %	United Bank of Kuwait	11 %
Cedar Holdings	11 %	Volkskas Intl. Ltd.	11 %
■ Charterhouse Japhet	11 %	Westpac Banking Corp.	11 %
Choulartons	11½%	Whiteaway Laidlaw	11½%
Citibank Savings	¶ 9 %	Williams & Glyn's	11 %
Clydesdale Bank	11 %	Wintrust Secs. Ltd.	11 %
C. E. Coates	12 %	Yorkshire Bank	11 %
Comm. Bk. of N. East	11 %		
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11½%		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	11½%		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%, 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8½%, £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

INTERNATIONAL COMPANIES and FINANCE

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for March 14.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 14⅛ 89	75	112⅛	112⅝	−0¼	−0¾	11.31
Amro Bank 13 89	200	104¾	105⅛	−0⅜	−1⅛	11.63
BHP Finance 14⅝ 89	150	108¼	108¾	−0¼	−0⅝	12.05
British Col Hyd 15¼ 92	150	116⅞	117⅜	0	−0⅝	12.00
Canada 14⅞ 87	750	118⅝	119⅛	−0⅛	−1	11.87
Canadair Ltd 12½ 89	175	104½	105	−0¼	−1	11.41
Canadian Wheat 11¼ 90	50	100¼	100⅝	0	−1½	11.15
Can Pac Ltd 14⅝ 92	75	110¾	111½	0	−0½	12.52
Can Pac Sec 15 89	15	109½	110	−0¼	0	12.04
Citicorp O/S 15 84/92	100	104⅝	105⅛	0	−0⅛	9.09
Coca Cola Int 0⅞ 92	100	24½	25	−0¼	−0⅝	10.77
Coca Cola Int 11¾ 88	100	104¼	105⅜	−0⅛	−1	10.59
Credit Suisse 10½ 89	100	100¼	100¾	0	+0⅜	10.37
Deutsche Bk Fin 14¼ 90	300	110⅜	110⅞	−0¼	−0⅜	11.76
Du Pont 11¼ 89	150	101	101½	−0⅛	−0¾	11.04
Du Pont 14⅛ 89 WW	200	107⅜	107⅞	0	−0⅞	12.30
E.D.C. 10¾ 90	100	99½	100	+0⅛	−0¼	10.80
E.D.F. 12⅞ 91	150	103⅝	104⅛	−0¼	−0⅝	11.57
E.E.C. 11½ 95	200	98¾	99¼	−0⅛	−0⅛	11.65
E.I.B. 11 91	125	97⅝	98⅛	–	–	11.42
E.I.B. 15½ 92	100	114	114½	−0⅛	−0⅝	12.76
Exp Dev Corp 11¾ 91	100	101¾	102¼	−0¼	−0⅞	11.13
Forsmarks 13⅜ 92	75	105½	105¾	0	−0½	12.69
Gaz de France 12¾ 93	115	19½	20	−0¼	−0⅝	12.20
Gen Elec Credit 9¾ 91	100	14⅜	15¼	0	−0⅜	10.66
Gen Elec Credit 12 88	100	106⅝	107⅛	−0⅛	−0¾	10.47
GMAC O/S Fin 10½ 90	200	96⅞	97⅜	−0⅛	−0¾	11.11
GMAC O/O Fin 15 87	100	108⅝	109⅛	−0⅛	−0⅝	12.12
Gulf Oil Fin 12¼ 97	100	103⅜	104⅜	−0⅛	−0¼	11.00
IBM World Trade 12½ 92	200	109⅛	109⅝	0	−0¼	10.81
Lloyds Euro 11½ 94	100	17⅜	17⅞	−0¼	−1	11.87
Manitoba Prov 11¾ 99	125	102⅝	103⅛	0	−0½	11.09
Manitoba Prov 13¾ 88	100	108½	109	−0¼	−0⅞	11.72
Midland Int Fin 11½ 92	150	99½	100	−0⅛	−0⅛	11.52
Nat West Fin 11¾ 92	150	100¼	101⅜	−0⅛	−0½	11.52
New Brunswick 15¼ 87	75	111½	112	−0⅛	−1	11.62
Newfoundland 15½ 90	75	113¼	113¾	−0¼	−0⅛	12.56
Nippon Credit 11¼ 93	100	95¼	97⅜	−0⅛	−0¾	11.75
Nova Scotia Prv 15¼ 89	75	113¼	113¾	−0⅛	−0½	12.05
Ontario Hydro 11¼ 90	200	102⅝	103⅛	−0⅜	−1	10.52
Ontario Hydro 12⅜ 92	200	106¼	106⅝	−0⅛	−0⅝	11.59
Ontario Hydro 15 92	150	116	116½	−0⅛	−0¼	11.99
Prudential O/S 10⅝ 03	100	99⅛	99⅝	–	–	10.72
Prudential O/S 12¾ 87	150	109	109½	0	−0⅝	10.90
Quebec Hydro 11½ 92 0	100	99⅞	100⅜	+0⅛	−0½	11.46
R. J. Reynolds 12¾ 89	100	104⅞	105⅜	0	−0⅝	11.55
Saskatchewan Prov 15 02	150	110	110½	−0¼	−0¼	11.90
Skand Enskil 11½ 89	100†	98¾	99¼	0	−0¼	11.79
S.N.C.F. 11½ 03	100	98¼	98¾	–	–	11.70
Swed Exp Credit 14¾ 90	100	107⅜	108½	−0⅛	−0½	12.04
Swiss Bk Corp 10¼ 90	125	99½	100	0	−0½	10.29
Texaco Capital 9¾ 90	150	94⅜	94⅞	−0¼	−0⅝	10.89
U.O.B. 11 89	150	102	102½	−0¼	−1	10.49
Walt Disney Pro 12½ 89	75	102⅜	103⅞	0	−0⅝	11.63
World Bank 10⅞ 88	150	98⅛	98⅝	0	−0⅜	10.88
World Bank 10⅞ 03	100	97⅛	97⅝	−0¼	−1¼	11.32
World Bank 11⅛ 98	100	97½	98	−0⅜	−1½	11.43

Av. price changes: on day −⅛, on week −⅝

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	101¼	101¾	+0⅛	0	8.01
Asian Dev Bank 8¼ 92	150	100¾	101¼	−0⅛	0	8.09
Australia 8⅞ 93	200	98½	99	0	−0¼	7.95
Australia 7¾ 92	200	104⅝	105⅜	−0½	−0⅜	7.01
Bank of Tokyo 7¼ 90	100	100	100½	−0½	−1½	7.20
Bayer Capital 1¼ 89	150	102⅞	103⅜	−0⅛	0	8.09
Beecham Fin 8⅛ 92	125	102¼	102⅞	−0¼	−0⅜	7.73
Caisse Nat Energie 8 93	100	100⅜	100⅞	0	−0⅜	7.90
Caisse Nat Tele 7¾ 93	200	98	98½	−0⅛	−0⅜	8.01
E.C.S.C. 7½ 93	150	98⅜	98⅝	−0½	−0½	7.81
E.E.C. 7¾ 95	200	99⅝	100⅛	+0½	0	7.78
E.E.C. 8 94	200	100¼	101⅝	−0½	−0¼	7.82
SKN 8⅛ 88	100	99¾	100½	−0¼	0	8.41
Gould Int Fin 8¼ 86	75	102⅝	103½	−0⅛	0	7.87
H.J. Heinz Int 6¾ 88	50	99¼	100	−0⅜	+0⅝	6.84
Int-Am Dev Bk 8¼ 93	150	100⅜	101¼	0	−0⅛	8.00
Ireland 8⅞ 91	150	102⅜	102⅞	−0⅜	+1⅛	8.37
ITT Antilles 7 93	200	98	98½	0	0	7.25
McDonalds Fin 7⅛ 92	100	100⅝	101½	−0½	+0¼	6.99
Mitsui O.S.K. 7¼ 88	100	98⅛	98⅝	−0⅛	−0⅛	7.65
Mitsubishi Heavy 7⅝ 87	150	100⅞	101⅜	0	−0⅛	7.25
Quebec Hydro 8 93	200	101½	102	−0¼	−0¼	7.74
Sweden Kingdom 8⅛ 89	150	102⅝	103⅛	−0⅛	−0⅛	7.68
World Bank 7¼ 93	200	98⅛	98½	0	0	7.47
World Bank 8¼ 92	200	103½	103⅞	0	0	7.72

Av. price changes: on day 0, on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Express 4¾ 93	100	98¼	98½	−0¼	−0½	4.96
Asian D.B. 5½ 95	100	88¼	88½	−0½	−0¾	6.87
Bowater Int Fin 6 92	100	102	102¼	−1	−1¼	5.71
BTR Finance 5⅝ 93	15	95⅛	95⅝	–	–	6.23
Chugoku Ele Pow 6½ 91	100	100	100¼	−0¾	−3¾	6.10
Chujitsuya Co 5⅞ 93	50	95⅛	95½	–	–	6.38
Ex-Im Bk Japan 5 93	100	97	97¼	−0½	−1	5.38
First Interstate 6 92	100	103¼	103½	+0¼	−0⅜	5.54
Gaz de France 6 93	100	102¼	102½	0	0	5.68
Gothenburg Airport 6 93	50	99	99¼	−0½	−0⅛	6.12
HCA Finance 5 93	100	97½	97¾	+0¼	−1⅛	5.31
Kyushu Elec Power 6 02	100	99¾	100	−0½	−1	6.01
Manitoba Prov 5¼ 93	100	101½	101¾	−0½	0	5.09
New Zealand 5¼ 02	100	100½	100¾	0	−1½	5.16
Nippon Express Co 6 93	50	101¼	101½	−0½	−0½	5.81
Nippon Kokan 5⅝ 93	100	97½	97⅞	−0⅜	−0⅛	6.00
Nisshin Steel Co 6⅛ 92	100	99½	99¾	−0¾	−1½	6.42
Norsk Hydro 5½ 98	100	97	97¼	–	–	5.79
O.K.G. 6⅜ 93	60	101¼	101½	−0¼	+0¼	6.55
Quebec 5¾ 92	100	101⅝	101⅞	−0⅜	−1⅛	5.81
Shikoku Elec Pow 5⅝ 93	100	96¾	97	–	–	6.05
Tokyo Elec Power 5⅞ 92	100	102	102¼	+0⅛	−0¼	5.58
Transcanada Pipe 5¾ 93	60	97⅜	98	–	–	6.04
Union Bk Norway 5⅝ 93	60	98	98¼	+0½	−0¾	5.63
Volvo 5⅝ 91	60	105¼	105½	−0½	−0¾	5.31
World Bank 5½ 93	100	100¼	100½	−0½	−0⅜	5.45

Av. price changes: on day ⅛, on week ⅞

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	105½	106½	+0⅛	+0⅜	7.71
E I B 8½ 92	15	102¼	103¼	0	+0¼	7.91
Japan Airlines 7⅞ 87	9†	100½	101½	+0⅛	0	7.57
New Zealand 8⅛ 87	15	102⅛	103⅛	−0⅛	−0⅛	7.55
World Bank 8⅜ 92	20	103	104	+0⅛	+0⅛	7.82

Av. price changes: on day −⅛, on week −⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 88 CS	50†	112½	113	0	−0½	13.71
Can Utilities 17 87 CS	35†	113⅛	114⅛	0	−0⅜	12.87
Farm Credit 12⅛ 93 CS	50†	99¾	100¼	0	−0⅜	12.12
Gaz de France 15 89 CS	15†	106⅜	106⅞	0	+0⅛	13.38
Gaz Metro 14½ 92 CS	40†	103¼	104¼	0	−0¼	13.74
Quebec Hydro 14 92 CS	60†	106¼	106¾	0	−0⅜	12.76
Swed Exp CR 12¼ 90 CS	50†	99½	100	+0⅛	+0½	12.31
E.E.C. 11⅝ 93 ECU	50	98⅞	99⅜	–	–	11.81
El Norge 11¾ 98 ECU	30	97⅛	98⅛	–	–	12.41
Amfas 8½ 87 Fl	60	104⅛	104⅝	0	−0⅛	8.29
Austria 7½ 90 Fl	100	99¼	99¾	0	0	7.52
Nederland Gas 7½ 88 Fl	100	99⅝	100⅛	0	0	7.09
Neder Midbk 8¼ 91 Fl	100	103⅛	104⅜	−0⅜	−1¼	8.18
Quebec Prov 7½ 89 Fl	100	98⅝	99⅛	0	+0⅝	7.26
World Bank 7 88 Fl	150	98⅛	98⅝	−0½	−0¼	2.37
O.K.B. 14 86 FF	400	97⅝	98⅜	−0⅛	−0⅛	14.92
Solvay & Cie 14¾ 86 FF	200	96⅝	97⅝	−0⅛	−0¼	16.03
B F.C.E. 14½ 87 £	30	107⅛	108⅛	+0⅛	0	12.06
C.E.C.A. 13½ 98 £	20	104⅛	105⅛	+0⅛	+0⅝	12.12
C.B.I 12½ 89 £	20	100¼	101⅛	−0⅛	+1	12.32
E.E.C. 11⅞ 91 £	50	98⅛	99⅛	−0⅛	+0½	12.10
Fin For Ind 12¼ 90 £	30	101¾	102¾	+0¼	+0⅝	11.84
Fin Mat Oranj 12⅝ 92 £	30	23⅝	24⅝	+0½	+1	12.81
Gen Elec Co 12½ 89 £	50	104¼	105½	+0⅛	+0⅜	11.37
Hiram Walker 14¼ 86 £	25	105⅝	106⅝	+0¼	+0⅝	11.74
Mort Bk Fin 11¾ 98 £	15	23½	24½	−0¼	+0⅛	13.24
Norsk Hydro 12 88 £	30	27⅛	27⅝	0	0	12.81
Norsk Hydro 14½ 97 £	30	101	102	+0½	+0⅛	12.11
Quebec 14½ 89 £	30	105½	106⅝	−0⅛	+0⅛	12.90
S.D.R. France 15½ 92 £	30	106	107	−0⅛	+0¼	14.17
S.N.C.F. 11½ 88 £	30	95¼	96⅛	0	+0⅝	12.58
Tenneco Int 14¾ 87 £	30	106¼	107¼	−0⅛	−0⅝	12.40
World Bank 11¾ 01 £	75	26½	27¼	−0⅛	+0⅛	12.08
Euratom 11 93 LuxFr	500	101⅜	102⅜	+0⅛	+0⅞	10.68
Europarat 12½ 92 LuxFr	500	103½	104⅛	−0⅛	−0⅛	11.74

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅛	100	100½	16/6	9¾	9.73
B.F.C.E. 5⅛ 88	0¼	98⅞	99¼	20/7	9¼	9.34
B.F.C.E. 5¼ 97	0¼	99½	100	27/7	9.94	9.96
Caisse Nat Tele 5¼ 90	0¼	99⅜	99⅝	21/4	10.56	10.66
Cepme 5¼ 92	0¼	99½	100	10/6	9.94	9.96
Chemical NY 5¼ 94 ††	0¼	100⅛	100⅜	23/3	9.94	9.89
Credit Agricole 5¼ 97	0¼	99½	99⅝	24/3	12⅛	12.06
Credit du Nord 5¼ 92	0¼	99	99½	23/6	10⅛	10.20
Credit Lyonnais 5¼ 97	0¼	98⅛	99⅜	1/4	12.18	12.30
Credit Lyonnais 5¼ 94	0¼	99	99½	5/7	9⅝	9.82
Credit Nat 5¼ 94	0¼	99⅜	99¾	9/9	9⅛	9.34
E.D.F. 5¼ 95 XW	0¼	99	99½	10/8	10	10.02
Kansallis Osake 5½ 92	0¼	99½	100	8/9	10.00	10.09
Lloyds Eurofin 5¼ 93 §	0¼	100	100½	29/4	10.56	10.54
Long Term Cred 5¼ 92	0¼	100	100¼	27/5	10⅛	10.11
J.P. Morgan 5¼ 97 §	0¼	100¼	100¾	12/8	9½	9.45
Nat West Fin 5¼ 91 §	0¼	100	100½	10/7	9¼	9.23
New Zealand 5¼ 87	0¼	100¼	100⅝	7/4	12⅝	12.45
NZ Steel Dev 5¼ 92	0¼	100	100½	22/8	10.18	10.18
Nippon Credit 5¼ 90	0⅛	100	100½	10/8	9⅞	9.85
Offshore Mining 5¼ 91	0¼	100	100½	2/6	10.44	10.41
Scotland Int 5¼ 92	0¼	99½	100	23/3	13¼	13.29
Sec Pacific 5⅛ 91	0¼	100⅛	100⅝	24/5	10.06	10.02
Société Générale 5¼ 95	0¼	99⅛	99⅝	1/8	9⅛	9.58
Standard Chart 5¼ 91	0¼	99⅞	100⅜	18/5	10.05	10.07
Sweden 5¼ 93	0⅛	99⅛	99¼	3/8	10.18	10.24
Sweden 5¼ 89	0⅛	99⅛	99⅝	28/8	9⅝	9.68

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	81½	83	−0⅜	4.76
Bridgestone Tire 5½ 98	3/82	478	101½	103	0	2.60
Canon 7 97	7/82	748.2	176⅛	178⅛	+2⅛	5.43
Fujitsu Fanuc 4½ 98	10/81	5614	98⅞	100⅛	−0⅛	10.62
Hitachi Cable 5⅛ 96	2/82	518	93½	95¼	+0⅛	7.56
Hitachi Credit Corp 5 96	7/81	1612	87½	88½	+0⅛	21.04
Honda Motor 5½ 97	3/82	759.8	113⅜	114⅞	+0⅜	5.06
Kawasaki 5⅜ 96	9/81	228	75	76½	−0½	18.57
Kumagai Gumi 6½ 87	10/82	490	108½	110⅝	−0¼	3.97
Kyowa Hakko 6⅛ 97	2/83	762	103⅜	105	+0⅜	16.32
Marui 6 96	7/81	789.6	116⅝	118¼	−0⅜	6.21
Minolta Camera 5 96	10/81	826.4	72	73½	+0½	26.03
Murata 5¼ 96	7/81	1871	86	88⅛	+0½	0.39
NKK 6½ 96	7/81	188	82⅛	84⅜	+0⅜	21.41
Nippon Electric 6¼ 97	2/82	765.8	127⅛	128⅝	+2⅛	7.49
Olympus Optical 6⅞ 97	12/82	1331	101¼	103⅜	+1⅛	12.78
Orient Finance 5⅝ 97	3/82	1285	101⅞	102⅞	+1⅛	4.35
Sanyo Electric 5 96	10/81	662	86	88½	+1	23.58
Sumitomo Electric 5½ 97	3/82	577.3	88	89½	+1½	18.87
Sumitomo Metal 5¼ 96	10/81	295.1	70	71½	+0½	31.50
Fujitsu 3½ 93 SF	3/83	968	108½	109½	0	6.06
Sharp Corp 3½ 93 SF	3/83	1199	107¼	109¼	+0½	9.17
Konishiroku 6⅛ 89 DM	6/82	816	111	112	+0½	12.20
Mitsubishi Heavy 6 00 DM	2/82	283	104⅛	105¼	0	22.86
Sun Realty 6¼ 02 DM	2/83	385	108⅝	109⅝	0⅛	3.34

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cr. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Wereldhave boosts investment by 16%

BY WALTER ELLIS IN AMSTERDAM

WERELDHAVE, the Netherlands based property group, which last year beat off a takeover bid from the country's largest pension fund, increased its net investment income by 18 per cent last year to Fl 30.5m ($11.4m).

The net asset value per share rose from Fl 136.07 to Fl 140.18, up 3 per cent, while the direct investment result per share improved some 14 per cent, to Fl 7.94.

Net assets of the group were valued at Fl 539m at the end of December, compared with Fl 518m a year before.

The value of Wereldhave's property portfolio expanded more slowly last year than in 1981 mainly because despite a sharp improvement in the U.S. and steady growth in West Germany, property values in Europe generally were sluggish. Dutch and Belgian investments were particularly weak and there was little growth either in France or the UK.

A final dividend per share of Fl 4.50 has been proposed, to add to the interim pay-out of Fl 3.25. There will also be an unchanged stock dividend of 3.75 per cent.

Unsold paper slows Euromarket

BY MARY ANN SIEGHART IN LONDON

THE EURODOLLAR market was struggling under the weight of unsold paper yesterday. Last week's new issues were quoted at discounts of at least three points and some were still not selling.

The $250m 8 per cent Bank of America issue was selling stripped of its warrants at around 89½, and with warrants at a discount of about 3½ points. The $100m, 10¼ per cent American Express bond was also trading at a deep discount of 3-3½ points, but many dealers reported no buying interest there. Some Honeywell bonds were being shifted at a 2½-3 per cent discount.

The secondary market was quiet too, with prices easing by about ¼ point.

The DM 150m bond for Escom, the South African Electricity Supply Commission, was scheduled to appear yesterday in Germany, but terms had still not been agreed on by leadmanager Commerzbank when the market closed.

Today should see a DM 50m private placement for the British Granada Group, led by Bayerische Vereinsbank. It is expected to be a five or seven-year issue, with a coupon of around 8 per cent. Secondary market prices in Germany closed unchanged.

Aucalsa, the Spanish motorway toll company, is raising SwFr 55m through a private placement led by Banco Exterior (Suiza). The coupon is 6¾ per cent over 5 years. Two Swiss issues were priced yesterday – Clarion's SwFr 100m bond was given a 3⅝ per cent coupon and a conversion premium of 3.77 per cent by SBC, and Carlsberg-Tuborg's SwFr 80m issue was priced at 99½ with a coupon of 5⅝ per cent by UBS. The life has been reduced from 12 to 10 years.

The secondary market was down ¼-½ point in light trading.

BOND DRAWING

AKTIESELSKABET TYSSEFALDENE

U.S.$10,000,000

6% First Mortgage Loan 1974/84

DRAWING OF BONDS

The undermentioned Bonds of the above loan amounting to U.S.$766,000 were drawn on 15th February 1983 at the office of Lazard Brothers & Co. Ltd. in the City of London by Mr. Patrick Francis Jourdan Freeman of the firm of John Newton & Sons, Public Notaries of 123/127 Cannon Street, London EC4N 5AX.

Bonds of $1000 each

[illegible]

The said Bonds are due to be repaid at their nominal value on or after 25th March 1983 at the Paying Agents listed on the Bonds. Interest will cease to accrue on 25th March 1983. Bonds must have Coupon 20 attached when presented for payment, failing which the amount of any missing unmatured coupons will be deducted from the sum due for payment.

COMPANY NOTICES

GUS INTERNATIONAL NV
US$ 25,000,000 8¼% Bonds Due 1986

The redemption of US$ 2,600,000 due on 1st March 1983 has been partly made by repurchase of bonds.

The following bonds, selected by drawing, are redeemable, as of 1st March 1983, coupon due 1st March 1986 and subsequent attached:
Nos. 3791 to 6678 inclusive.

The redeemable bonds as well as coupons due on 1st March 1983 will be payable upon surrender at the offices of:
Credit Lyonnais—Luxembourg
Amsterdam-Rotterdam Bank NV.—Amsterdam
Credit Lyonnais—Brussels
Commerzbank AG—Frankfurt am Main
The Chase Manhattan Bank NA—New York
Credit Lyonnais—Paris

CREDIT LYONNAIS
Luxembourg
As Principal Paying Agent

NOTICE OF PURCHASE
EUROPEAN INVESTMENT BANK
£20,000,000 13% BONDS OF 1980 DUE 1st MARCH 1991

NOTICE IS HEREBY GIVEN to Bondholders that Kleinwort, Benson Limited, London, as Purchase Agent for the account of the European Investment Bank, has purchased during the twelve-month period beginning 1st March 1982, £1,000,000 principal amount of such Bonds.

On 1st March 1982, the principal amount of Bonds outstanding was £17,000,000.

Luxembourg.
Dated 15th March 1983.
EUROPEAN INVESTMENT BANK

TORAY INDUSTRIES, INC.
US$30,000,000 7¼% Guaranteed Notes 1984

S. G. WARBURG & CO. LTD., announce that the redemption instalment of Notes due 15th April, 1983 for a nominal value of US$3,000,000 has been met by purchases in the market.

US$9,000,000 nominal amount of Notes will remain outstanding after 15th April, 1983.

30, Gresham Street,
London, EC2P 2EB

15th March, 1983

TELEFONAKTIEBOLAGET L M ERICSSON
US$30,000,000 8¼% Bonds 1989

S. G. WARBURG & CO. LTD., announce that the redemption instalment of Bonds due 15th April, 1983, for a nominal value of US$2,000,000 has been met by purchases in the market.

US$22,000,000 nominal amount of Bonds will remain outstanding after 15th April, 1983.

30, Gresham Street,
London, EC2P 2EB

15th March, 1983

AKTIEBOLAGET SVENSK EXPORTKREDIT
(Swedish Export Credit Corporation)
US$20,000,000 9½% Notes 1986

S. G. WARBURG & CO. LTD., announce that the semi-annual redemption instalment of Notes due 15th April, 1983 for a nominal value of US$1,430,000 has been met by purchases in the market.

US$9,990,000 nominal amount of Notes will remain outstanding after 15th April, 1983.

30, Gresham Street,
London, EC2P 2EB

15th March, 1983

LEGAL NOTICE

RAMA UNIT LIMITED
(In Voluntary Liquidation)

NOTICE IS HEREBY GIVEN, in pursuance of section 300 of the Companies Act 1948, that General Meetings of the Members and Creditors of the above-named Company will be held at the Offices of Singla & Co., Chartered Accountants, 423 Alexandra Avenue, Harrow Middlesex on 25th March 1983 at 11.00 and 11.30 in the forenoon respectively, to receive an account showing how the winding-up of the Company has been conducted and its property disposed of and to hear any explanation that may be furnished by the Liquidator and to pass a Resolution as to the disposal of the books, accounts and documents of the Company.

S. K. SINGLA, F.C.A.
Liquidator.

8th March, 1983.

ART GALLERIES

BROWSE & DARBY, 19 Cork St., W1. 01-734 7984. FRENCH & BRITISH Paintings, Drawings & Sculpture.

FIELDBORNE, 63, Queens Grove, NW8. 01-586 3600. HARRIET LASSALE AMERICAN JOURNEY.

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572/3. CONTEMPORARY PAINTINGS ON VIEW. Mon.-Fri. 10-5 and Sats. 10-12.45.

WHITECHAPEL ART GALLERY, E1. 01-377 0107. Tube Aldgate East. To 10 April WHITECHAPEL OPEN EXHIBITION. Sun.-Fri. 11-5.50 cl. Sat. Free.

NICOLA JACOBS GALLERY, 9, Cork St., London, W1. Tel. 01-437 3868. John Groom Paintings until 26th March 1983.

PARKER GALLERY, 12a-12b, Berkeley Street, London W1X 5AD (opposite May-fair Hotel). Tel: 01-499 5906.

NOORTMAN & BROD, 8, Bury Street, St. James's, SW1. 01-839 2606. "Autour des Impressionnistes" Exhibition of Barbizon and Pre-Impressionist Paintings. Mon.-Fri. 9.30-5.30, from 17th March until 22nd April.

EXHIBITIONS

COLNAGHI, 14, Old Bond Street London, W1. 01-491 7408. ENGLISH ANCESTORS Until 31st March. Mon.-Fri. 10-6. Sats. 10-1.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-734 0557.

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FINANCIAL TIMES

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SECTION III CONTENTS

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

ØØ

Tuesday March 15 1983

Nickel price surge accelerates, Page 33

WALL STREET

Uncertainty damps down euphoria

BUSINESS began on Wall Street in the same cautious mood which developed at the end of last week. Opec's delay in achieving an agreement, renewed uncertainties over domestic money supply and an impending programme of Treasury financing, combined to damp down the euphoria engendered a fortnight ago by the signs of economic recovery in the U.S., *writes Terry Byland in New York.*

The announcement of a new pricing and quotas structure among Opec members came at mid-session and was taken calmly, but share prices extended their early falls.

With any number of market pundits now preaching the doctrine of a "correction phase" for share prices, professional investors were not unduly surprised to see the Dow Jones Industrial average on the slide again within the first hour of trading. Last week saw a net fall of 23 points in the average and some analysts think a further fall of 100 points or so is possible ofer the next few weeks as the market readjusts after its seven week long advance.

Trading was on a modest scale in equities, with only 81.9m shares traded over the session. The market steadied in the late afternoon and the Dow average was finally a mere 3.29 points lower at 1114.45. Major stocks, such as IBM at 100¼, and General Motors at $59⅛, were less than one point off, while General Electric at $103¼ clnsed higher nn the day. Profit-taking over the hroader range of the market was reflected in 10/9 share losses over 538 share gains, but the list of gains was lengthening in the final hour of trading.

Features included AT&T, $½ lower at $65⅞, with the telephone company's bond issues steadier as the market continued to assess the implications of last week's ratings cut by a major agency.

In the credit markets, bond prices extended the rally seen in late dealings on Friday when the announcement of M-1 money supply totals for the week showed a slightly lower rate of increase than the market professionals were expecting.

Although now technically of less importance since the federal reserve's decision to downgrade it, M-1 came back into market focus last week when Mr Paul Volcker, the Fed chairman, drew attention to its renewed growth, confirming renewed nervousness about money supply among bond dealers.

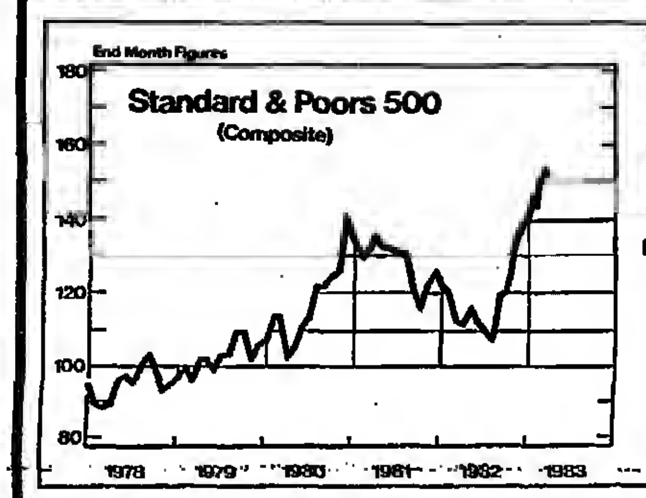
The Federal Funds rate eased slightly from Friday's average 8.40 per cent to 8.37 per cent, giving extra belp to the day's trading in the bond market.

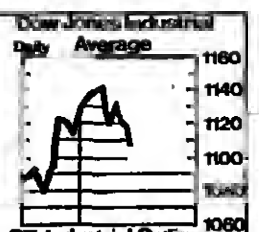
The benchmark long bond, the 10⅜ per cent of 2012, moved up to 96³¹⁄₃₂ compared with Friday's late price of 96⅞. Treasury bill yields were a touch lower, with the discount rate on the three month hills at 8.20, against 8.25 per cent on Friday. The rate nn the six month hills was also 8.20.

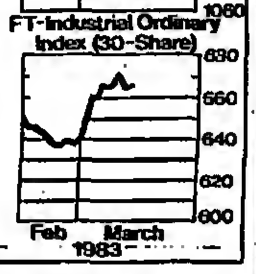
The municipal bond market, where yields rose last week as the market nervously awaited a major bond issue from Intermountain Power agency, steadied yesterday when the bonds were priced to yield 10.55 per cent at the longer end of a series totalling $789m.

In Toronto, stocks were lower, paced by sharp losses in the resource sector.

KEY MARKET MONITORS







STOCK MARKET INDICES

NEW YORK	March 14	Previous	Year ago
DJ Industrials	1114.45	1117.74	797.37
DJ Transport	500.16	503.34	320.0
DJ Utilities	126.98	126.98	106.01
S&P Composite	150.83	151.24	108.81
LONDON	March 14	Prev	Year ago
FT Ind Ord	665.8	663.3	565.8
FT-A All-share	417.41	416.47	322.02
FT-A 500	451.00	450.31	343.33
FT-A Ind	424.11	424.29	317.54
FT Gold mines	591.3	592.6	211.5
FT Govt secs	81.34	80.78	68.47
TOKYO			
Nikkei-Dow	8089.03	8064.20	7102.61
Tokyo SE	596.08	592.85	534.09
AUSTRALIA			
All Ord.	513.4	515.3	462.0
Metals & Mins.	475.4	477.1	330.9
AUSTRIA			
Credit Aktien	52.60	51.60	54.34
BELGIUM			
Belgian SE	110.71	109.79	92.70
CANADA			
Toronto Composite	2154.19	2163.8	1546.8
Montreal			
Industrials	366.92	368.2	273.6
Combined	358.32	359.81	261.62
DENMARK			
Copenhagen SE	120.28	120.04	94.82
FRANCE			
CAC Gen	110.1	110.5	101.8
Ind. Tendance	113.9	114.7	111.7
WEST GERMANY			
FAZ-Aktien	282.08	280.36	232.96
Commerzbank	848.0	844.4	708.7
HONG KONG			
Hang Seng	1032.37	1032.8	1196.9
ITALY			
Banca Comm.	204.03	205.46	202.57
NETHERLANDS			
ANP-CBS Gen	117.9	117.0	85.2
ANP-CBS Ind	101.4	101.8	68.7
NORWAY			
Oslo SE	146.28	147.59	103.18
SINGAPORE			
Straits Times	833.4	837.22	703.69
SOUTH AFRICA			
Golds	802.3	790.7	429.8
Industrial	835.5	834.1	593.5
SPAIN			
Madrid SE	108.74	108.74	126.62
SWEDEN			
J & P	1271.34	1253.87	613.27
SWITZERLAND			
Swiss Bank Ind	303.8	309.6	244.3

GOLD (per ounce)

	March 14	Prev
London	$427.50	$422.50
Frankfurt	$428.75	$420.50
Zürich	$428.50	$420.50
Paris	$438.77	$437.50
New York futures (March)	$436.70	$427.50

' Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR March 14	U.S. DOLLAR Previous	STERLING March 14	STERLING Previous
£	1.5100	1.5005	–	–
DM	2.3815	2.4010	3.59¾	3.60½
Yen	237.50	238.40	358½	358
FFr	6.71½	6.9350	10.13¾	10.40
SwFr	2.0625	2.0710	3.11½	3.11
Guilder	2.6410	2.6540	3.99	3.98½
Lira	1410¾	1438½	2128	2157½
BFr	46.07½	47.15	69.5½	70.75
C$	1.2265	1.2265	1.8520	1.8400

INTEREST RATES

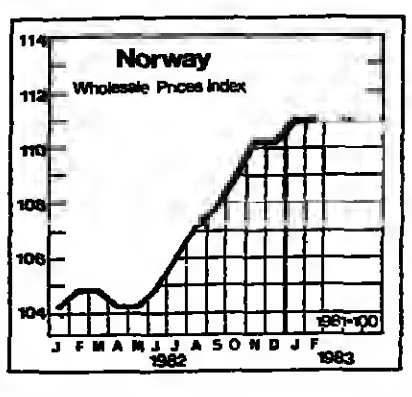
	March 14	Prev
Euro-currencies (three month offered rate)		
£	11⅛	11³⁄₁₆
SwFr	3⅝	3¹¹⁄₁₆
DM	5¹⁄₁₆	5⅛
FFr	*50*	*38*
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅟₁₆	9⅜
6-month U.S.$	9⁹⁄₁₆	9⁹⁄₁₆
U.S. Fed Funds	8⅝	8½
U.S. 3-month CDs	8.90	8.85
U.S. 3-month T-bills	8.19	8.23

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% $100,000 32nds of 100%				
June	75–18	75–22	75–01	74–31
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.78	91.79	91.64	91.60
Cert Deposit (IMM) $1m points of 100%				
June	91.04	91.05	90.88	90.84
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.66	90.68	90.54	90.63
20-year Notional Gilt £50,000 32nds of 100%				
June	104–15	104–20	104–04	103–21
Three-month Sterling Deposit £250,000 points of 100%				
June	90.05	90.07	89.85	89.73

LONDON COMMODITY MARKETS

	March 14	Prev
Silver (spot fixing)	726.15p	723.0p
Copper (cash)	£1050.00	£1051.00
Coffee (March)	£1717.50	£1709.00
Oil (spot Arabian light)	$28.60	$28.30



LONDON

Optimistic view ahead of budget

OPTIMISM revived as the final leg of the current trading account began yesterday. Indications that Opec was nearing agreement, coupled with hopes that today's budget would pave the way for lower interest rates, cheered investors. Many smaller clients committed funds, and sentiment, which had shown signs of flagging last Friday, revived strongly.

Government stocks were especially huoyant and after the official close, long-dated stocks extended their gains to 1¼ points. Leading industrial shares edged quietly higber throughout; with interest highly selective and concentrated on stocks such as GKN, up 7p at 151p, and TI, 8p to the good at 172p. Both groups are due to report preliminary figures on Thursday.

The Financial Times Industrial Ordinary share index recorded a gain of 2 points at the 10 am calculation and edged higher to stand 3.2 up at 3 pm before easing in the after-hours trade to close a net 2.5 higher at 665.8.

Few equity sectors were outstanding, but continued budget optimism aroused further buying of building and contracting shares. Banks maintained last week's strong undertone with NatWest the best performer, awaiting today's preliminary statements. It closed 10p ahead at a 1982/83 peak of 602p.

Easier conditions in UK money markets, coupled with sterling's more stable trend, brought the advance in Government stocks. Trading remained thin and quotations tended to falter at one stage, but wben trading was resumed at 4.15 pm, following the 3.30 pm announcement of new Government funding via a £1m issue of Exchequer 10½ per cent convertible, 1986, a fresb upward movement began.

The continuing absence of a conventional long tap stock was a particular boost to later maturities and Treasury 13 per cent 2000 rose to 117½ compared with 118¾ at the official close.

The prospect of Opec agreement on production quotas, allied to the proposed new reference price of $29 per harrel, encouraged a firmer trend in oils. British Petroleum hardened 4p to 326p ahead of preliminary results, due on Thursday. Shell firmed 8p to 446p, as did Ultramar, to 475p.

Financials were unsettled by the lack of direction in golds. South Africans were highlighted by good demand for De Beers, 9p firmer at 500p, ahead of full year results. "Amgold" edged up £¼ to £78¾.

Share Information Service, pages 34–35

AUSTRALIA

Mines easier

THE lower world hullion price and the pre-weekend downturn on Wall Street left share prices lower in Sydney. At the close, the All Ordinaries index was down 2 at 513.4 with the All Industrials off 1.4 at 652.2 and the All Resources down 2.4 at 401.4.

Turnover was a light A$11.77m, compared with A$18.48m on Friday and declines outnumbered advances hy 110 to 77, with 169 shares unchanged.

Mining stocks closed mixed hut with an easier hias. Robe River fell 15 cents to A$1.20, Aberfoyle 18 cents to A$6.70, MIM 10 cents to A$4.18 and BHP six cents to A$6.34.

Gold stocks were widely lower: Central Norseman eased 40 cents to A$7.50, Peko 14 cents to A$5.8, GMK 10 cents to A$9.50, Poseidon 10 cents to A$4.40 and Emperor 7 cents to A$2.00. Melbourne was closed for a holiday.

SOUTH AFRICA

Golds firmer

HIGHER gold shares as the hullion price strengthened during the day allowed the Johannesburg stock market to close firm, though trading was slow.

President Brand rose R1.50 to R48 but cheaper priced producers shnwed larger percentage gains, with Welknm up 75 cents at R15.25 and Marievale 30 cents ahead at R5.70.

In mining financials, Amgold was R1 firmer at R130 while diamond share, De Beers added 8 cents at R8.25.

FAR EAST

Recovery hopes bring price boost

OPEC'S decision to cut oil prices by $5 a harrel gave a boost to share prices in Tokyo, with investors believing that the world economy might finally be on the verge of recovery. Electrical, automotive and hlue chips all rose, hut speculative issues, particularly minings, stalled. The *Nikkei Dow Jones index gained 24.83* to close at 8098.03, in moderate trading of about 250m shares.

In electricals, Hitachi shares were actively traded late in the day and closed up Y18 at Y783. This followed two unconfirmed reports: that its civil case with IBM was about to be settled (Hitachi employees have been accused by IBM of industrial spying); and that Hitachi would be given authority to sell IBM's software and computers. Toshiha also rose Y7 to Y327 and Fujitsu Y18 to Y955.

Other market leaders to gain were Toyota Motor, up Y35 to Y1,020, Matsushita Electrical Y50 to Y1,250, Honda Motor Y27 to Y825, Cannn Y60 to Y1,250, Pioneer Y70 to Y2,360 and Takeda Y17 to Y874.

Losers included Sony, down Y10 to Y3,330, Mitsui Mining and Smelting Y18 to Y560 and Sumitomo Metal Mining Y50 to Y1,450. Drugs firmed, hut steels and shiphuilders were little changed. The second market closed slightly firmer.

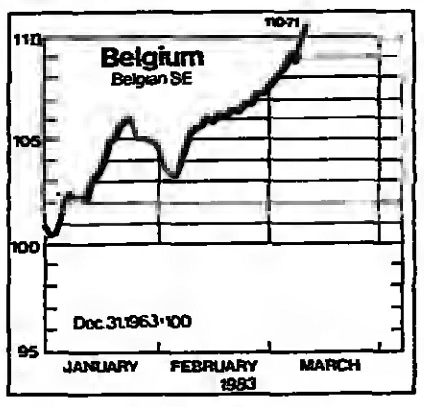
In Hong Kong, the market opened strong, but prices settled down later to finish mixed. The Hang Seng index rose more than 10 points after the first hour but fell back later to close almost unchanged at 1032.37, down 0.43 on the day. Combined turnover was a moderate HK$234.39m.

The early boost was in reaction to a weekend announcement of a reorganisation of the Sun Hung Kai financial group. The group also reported that its companies had incurred significant losses in 1982: SHK Securities, SHK Bank and Sun King Fung Development reported a net loss between them of just over HK$650m.

In the hanking sector, Hang Seng rose HK$1.50 to HK$64.50 and Wing Lung added 50 cents to HK$48. However, Hongkong Bank was unchanged at HK$9.20.

Prices clnsed slightly lnwer in mnderate, selective trading, in **Singapore**, with lower Hong Kong Market advices depressing sentiment. The Straits Times Industrial index fell 3.82 points to 833.40.

Fraser and Neave fell 10 cents to $7.35, Malayan Cement 10 cents to S$8.10, National Iron 15 cents to S$8, Development Bank 10 cents to S$8.85, Malayan Bank 15 cents to S$7.50 and Overseas Chinese Bank 20 cents to S$10.10.



EUROPE

Shares mixed as profits are taken

SHARE prices closed mixed in moderate trade in **Frankfurt** with demand for some issues offset hy profit-taking in others.

The Commerzbank index closed at a four-and-a-half year bigh, up 3.6 on the day at 848.0, reflecting gains in banks and only moderate losses in other blue chips. Commerzhank itself rose DM 2.10 to DM 149.80 while Dresdner added DM 1.20 to DM 163 and Deutsche finished unchanged at DM 291.50, after trading higher for most of the day.

In chemicals Hoechst gave up some of last week's gains after its smaller than expected cut in dividend, ending DM 2 lower at DM 132.50. BASF gained 40 pfennigs to DM 129.40 and Bayer fell 70 pfennigs to *DM 127.80.*

Prices of domestic bonds also ended mixed and puhlic paper finished with a DM 0.25 change nn either side of its starting levels. Short-term paper was in demand.

Cnntinued instability in the European Mnnetary System depressed sentiment in **Paris** and left share prices lnwer in quiet trading. Results of the second round of French municipal elections, when the centre-right failed to capitalise on the gains it made in the first round a week earlier, also depressed values.

Electricals, chemicals, ruhbers and metals fell while most other sectors were mixed. In mixed portfolios Schneider *fell FFr 5 to FFr 101.5* while in foods, Carrefour rose FFr 15 to FFr 1,325.

Dutch stocks were mixed to firmer in *moderate trading* in **Amsterdam**, while bonds lost about 20 cents ahead nf today's Government bond tender.

In **Brussels** stocks closed higher after a day of active trading. The Brussels index gained 0.92 to 110.71. Holding company issues continued their rally with Bruxelles Lambert BFr 15 higher at BFr *1,765*, Cobepa up BFr 35 To BFr *2,360* and Societe Generale gaining BFr 5 at BFr 1,505.

Rising domestic interest rates and a weaker Swiss *franc left prices lower in* **Zurich** in thin trading. The Credit Suisse index closed at 266.1 compared with Friday's 267.2.

Bonds closed lower, on average volume, with sentiment depressed hy the firmer dollar and fears of higher interest rates.

Milan was also lower in slow trading, mainly as a result of tecbnical and speculative factors ahead of Thursday's settlements. Some leading insurance and industrial issues, like Generali and Snia Viscosa, were especially hard hit.

But Fiat, its holding company, IFI, and Centrale closed higher, against the trend, on selective demand.

In **Madrid** most prices fell as operators paused for profit taking and squared their books ahead of the end of bourse month tomorrow.

In **Stockholm** prices advanced in moderate trading after agreement was reached at the weekend, settling strikes in the private sector.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
10⅝	5¼	AAR	.44	4.8	26	276	u11⅛	10⅝	11⅛	+⅛
38	27½	ACF	2.76	8.7	8	80	32⅛	31½	31⅝	−⅛
20	12¼	AMF	1.36	7.9	33	265	17⅛	17	17¼	−⅜
25¼	12¼	AMR Cp				1034	24⅛	23⅝	24⅛	−⅛
12⅞	4	AMR	wt			377	11⅛	10⅝	11⅛	−¼
18¼	12⅞	AMR	pf2.16	13		26	17⅛	17¼	17¼	
29¼	24⅝	AMR	pf2.13	7.5		142	28⅛	27⅞	28¼	−⅛
6⅝	2½	APL			24	124	6½	6⅛	6⅛	
42	23½	ARA	2	5.0	12	70	41	40¼	40⅝	−⅛
79⅝	24½	ASA	3a	4.7		815	63¼	62¼	63⅛	+⅛
27⅞	13⅝	AVX	.32	1.4	50	191	22¼	22	22⅛	−⅛
44⅝	27	AbtLab	.84	2.0	18	473	43	42½	43	
22½	15¼	AcmeC	1.40	8.1	20	65	17⅝	17⅛	17⅛	−⅛
12⅞	5¼	AcmeE	.32b	2.7	31	28	11⅞	11¼	11⅞	
12	4⅛	AdmDg	.04	3	13	109	12⅛	12⅛	12⅛	−⅛
17⅞	12½	AdaEx	1.73e	11		92	16¼	15⅞	16	+⅛
9¼	4⅝	AdmMl	.20e	2.5	11	14	8	7⅞	8	+⅛
22⅞	12⅞	Advest	s.16	.8	13	71	20⅞	20½	20⅞	+½
39¼	12½	AMD	s		51	1218	34	32¼	33⅞	+1¼
48¼	32⅞	AetnLf	2.64	6.8	6	1142	38⅜	38	38	−⅛
60	52⅛	AetL	pf3.70e	6.5		10	56½	56½	56½	
37⅞	8	Ahmns	.60	1.8		108	33¼	33⅛	33½	
4	7⅛	Aileen				115	3⅛	3¼	3⅛	
48⅞	23⅞	AirPrd	.80	1.8	13	815	44½	43½	44¼	+⅛
24¼	8½	AirbFrt	.60	2.6	30	96	23⅛	23	23	−⅜
3⅞	2	AiMoa	n		4	78	7⅛	2½	2½	
21¼	26½	AlaP	pfA3.92	12		5	31¼	31	31	−⅛
7¼	5⅛	AlaP	dpf.87	12		11	7	7	7	
74½	56½	AlaP	pf9.44	13		z360	73¼	73¼	73¼	+1½
65½	50¼	AlaP	pf8.16	13		z100	64	64	64	−1½

A FINANCIAL TIMES SURVEY
SAUDI ARABIA
APRIL 25 1983

The Financial Times is proposing to publish a survey on Saudi Arabia in its issue of April 25 1983. The provisional editorial synopsis is set below.

INTRODUCTION: The Kingdom's role during the past twelve months as the most prominent power in the Arab World; its participation in the Arab peace plan at Fez and its leadership of the increasingly important Gulf Co-operation Council; Saudi policies in OPEC as pressures increase for a reduction in the price of oil. Relations with the United States; attitudes within the Kingdom towards the close links between Riyadh and Washington. The first nine months of King Fahd's rule; internal strengths and weaknesses of the regime; pressures for and against reform. Prospects for the institution of a consultative assembly, a formal ordinance of Government and new regulations for the administration of the provinces.

Editorial coverage will also include:

Profiles of Members of the Royal Family — Economy — Oil — Gas — Heavy Industry — Industrial Estates — Industrial Service Companies — Banking — Capital Market — State Foreign Investment — Exchange Dealers — Contracting — Saudi Contractors — Manpower — Shipping — Trading Companies — Provincial Development — Hospitals — Health and Education Offices — Anglo-Saudi Relations — Armed Forces and Defence Contracts — National Guard — Shias — Ulema — Yemenis in Saudi Arabia — Businessman's Guide.

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The size, contents and publication dates of all surveys in the Financial Times are subject to change at the discretion of the Editor

Continued on Page 31

هكذا اصل الأصل

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
4¼	2¼	AlCPh				1	4⅛	4⅛	4⅛	
3⅞	1	ATI			14	177	3¾	3⅝	3¾	
6⅞	1½	AcmePr			19	10	6⅞	6	6⅞	
21¼	12¾	AcmeU	.40	2.0	10	8	20¼	20⅛	20¼	-⅛
22¾	2¾	Action			6	132	21¼	19⅞	21¼	+1½
9⅞	5⅛	Acton s	.10t	1.8		79	9	7½	7⅞	-⅛
3¼	⅞	Actn	wt			4	1⅞	1⅞	1⅞	
6⅞	1¼	AdmRs	.10	4.2		15	2⅜	2⅜	2⅜	
27⅞	12	AdRusl	s .10	.4	25	44	25¾	25⅛	25¼	-½
21½	11⅛	Adobe	.20	1.2	11	35	16¼	16¼	16⅜	-¼
3⅝	2	AegisCp			9	259	3⅛	3	3⅛	+⅛
21½	7⅞	Aerofx	1.55t	7.6	19	51	20⅝	20	20⅜	-⅛
6¼	2¼	Aeronca			10	101	5¾	5½	5¾	+⅛
21⅛	9⅝	AffHsp	.32	1.7	9	3	19⅝	19¼	19¼	-¼
30½	15	AlliPb	s .64	2.2	18	10	29½	29¼	29½	+½
10	8⅞	AlfSix			8	54	9⅞	8⅝	8⅞	+⅛
15½	4⅞	AirExp				12	13¾	13⅛	13⅛	-½
15⅞	3⅜	AlbaW	.10e	.7	2723	14⅛	13⅝	13⅜	13½	
10⅞	8½	AlmySt		2.1	244	5	9⅝	9¼	9⅜	-¼
10⅞	9⅞	AlphaA				38	9⅞	9¾	9½	
24⅛	10¼	AlphaI	s		20	64	22¾	22¼	22¾	-⅛
16⅞	7⅞	Altamil	.40	2.6	12	8	14⅝	14⅛	14⅝	-⅛
1¼	½	Altec				108	1⅛	1	1⅛	
8	4⅞	Altec	pf			7	5⅞	5¼	5⅞	
2⅜	1⅛	Alwx				66	1⅝	1⅜	1½	+⅛
7-16	1-10	Alx	83wt			9	¼	⅛	⅛	
44½	17¼	Amdhl	.40	1	1155	410	37¼	35⅞	37⅞	-⅛
25⅝	6⅛	Amedc	s .12	.5	26	05	25½	24¼	25½	+½
5	3½	ABiltl	n			141	4⅛	4¼	4⅜	-⅛
3⅝	⅞	AmCap				77	3¼	3⅛	3⅛	-⅛
31⅛	17¼	AContrl	.80	2.6	0	3	30⅝	30⅝	30⅝	-⅛
26	6⅛	AExp	wt			153	26½	25⅛	25⅝	-⅞
15½	5¼	Alsrael			4	11	10¼	10¼	10¼	-⅛
15	8	AMzeA	.52	3.0	12	81	13¾	13¼	13¾	+⅛
14⅛	8	AMzeB	.52	3.9	11	1	13⅜	13⅜	13⅜	
21⅛	4⅞	AMdBld				693	u21¼	10	21⅜	+1⅜
31⅛	14⅛	AMotin	.25	.8	13	43	28⅝	20⅞	28⅛	+⅛
63⅞	50½	AmPetf	3.20	6.1	10	0	53	52¼	52¼	-1⅛
7¼	2¼	APlan			16	10	6⅞	6⅞	6⅞	

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 30

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
10	6¼	WebJ	pf	1	11	z450	9	6	9	
50⅞	24¼	Warnac	1.40	2.9	9	2	48½	46⅞	48½	-⅛
59⅝	27	WrnCm	1	3.4	7	1204	29¼	28⅞	29	-¼
33⅛	19⅜	WarnrL	1.40	4.4	14	3475	32¼	31⅞	31⅞	-⅜
31¼	24	WashGs	2.78	10	8	40	26¼	26⅛	26½	+⅛
25½	14⅛	WshNat	1.05	4.5	11	312	24⅛	23⅝	24	+¼
22¾	17⅝	WshWt	2.40	11	7	196	21¾	21½	21⅜	
61⅞	26¼	Waste	.52	.9	24	1779	58¼	57½	57⅞	-1⅛
69½	22⅝	Watkn	.60	1.0	19	194	64	61	62	-1¼
12¼	7⅛	WayGos	.20	1.8	10	30	10⅝	10½	10⅝	-⅛
24	15¼	WayG	pf1.60	7.4		4	21¾	21¾	21¾	
5½	3½	WeanU				45	5¼	5	5¼	+⅛

Continued on Page 32

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

at 3pm Stock	Mar. 11	Mar. 10
AMCA Intl.	26	26
Abitibi	81½	81½
Agnico Eagle	16	16
Alberta Energy	15	15⅛
Alcan Alumin	38⅞	39⅛
Algoma Steel	32⅛	32½
Asbestos	13½	12¾
Bk Montreal	28¼	28½
Bk Nova Scotia	41⅝	40½
Basic Resources	1.45	1.30
Bell Canada	24⅞	24⅞
Bombardier	14¼	14¼
Bow Valley	17¼	17⅝
BP Canada	21	20¾
Brascan A	28⅝	28½
Brinco	3.40	3.45
B.C. Forest	11½	11⅝
CIL Inc	24⅞	24⅝
CadillacFairview	7⅞	7¾
Can Cement	16½	16⅝
CanRW Energy	25½	25½
Can Packers	38	38
Can Trusco	59	58
Can Imp Bank	34½	34½
Can Pacific	43	44
Can. Pac. Ents	81⅞	91⅞
Can Tire	57	57⅛
Carling O'Kfe	14⅛	14⅝
Chieftain	24¼	24¼
Cominco	50¼	51⅞
Cons Bathst A.	19½	19¼
Coseka Res.	5.30	6.45
Costain	8	8
Decn Devel	2.05	2.10
Denison Mines	35½	35¼
Dome Mines	20⅞	21
Dome Petroleum	3.70	3.75
Dom Foundries	44½	43⅞
Dom Stores	18¾	18¼
Domtar	25¾	25⅛
Falcon Ltd.	59⅝	60
Genstar	28⅛	22¼
Giant Y'knife	20¼	20¾
GL West Life	1.95	1.95
Gulf Canada	13¾	13⅛
Gulf Stream Res.	1.44	1.40
Hawk Sid. Can.	15⅞	16
Hudson Bay Mng	18⅝	19¼
Hudson's Bay	25¼	22⅝
Husky Oil	9	8¼
Imasco	38¼	56⅝
Imp Oil A	28⅝	20⅝
Inco	15⅞	16
Indal	17¾	17½
Inter. Pipe	23	86¼
Mac Bloedel	51¼	50½
Marks & Spencer	8½	9¼
Massey Ferg	4.65	4.55
McIntyre Mines	29½	30
Mitel Corp	28⅝	27⅞
Moore Corp	56⅝	56¼
Nat. Sea Prods A	10	10½
Noranda Mine	24⅞	24⅝
Nthn. Telecom	98¾	98¼

DENMARK

Mar. 14	Price %	+ or −
Aarhus Olie	374.6	...
Andelsbanken	251	...
Baltica Skand.	402	−0.4
CopHandelsbank	245	+0.6
D. Sukkerfab	490	+4
Danske Bank	255	+0.8
East Asiatic	102.4	−5.2
Forende Brygg	800	+25
Forende Damp	189.6	−0.4
GNT Hldg.	265	...
I.S.S.B.	521.4	+11.4
Jyske Bank	395.4	...
Novo Ind	2130	...
Privatbanken	240	−1
Provinsbanken	196.3	−0.8
Smidth (F.L.)	809.6	−1.4
Sophus Berend	643.4	+3.4
Superfos	135	−1.2

FRANCE

Mar. 14	Price Frs.	+ or −
Emprunt 4½% 1973	2,065	−15
Emprunt 7% 1973	9,023	+11
CNE 3%	2,965	...
Air Liquide	456	+1
BIC	463	−10
Bouygues	701	−1
BSN Gervais	1,496	−7
CIT Alcatel	705	...
Carrefour	1,325	+15
Club Medit.	560	...
CFAO	438	−1
Cie Bancaire	295	−4
Cofimeg	150.1	+0.1
Creusot Loire	55.5	+0.5
Darty	647	−23
Dumez	668	...
Eaux (Cie Gen)	260	−2.9
Elf-Aquitaine	181.9	−0.6
Gen. Occidental	481	−6
Imetal	49	+0.5
Lafarge-Coppee	275.5	−2.5
L'Oreal	1,285	+1
Legrand	1,730	−42
Maisons Phenix	392	−8
Matra	1,200	−35
Michelin B.	830	−14
Midi (Cie)	680	−17
Moet-Hennessy	895	−26
Moulinex	78	−1
Nord Est.	48.7	−0.5
Pernod Ricord.	448.1	−2.8
Perrier	241	−5
Petroles (Fra.)	148.5	−9.5
Peugeot SA	171.5	+0.6
Poclain	94.5	+0.5
Printemps Au.	116	−2.5
Radiotech	367	+6
Redoute	873	−6
Roussel-Uclaf	990	−5
Schneider	101.5	−5
Selimeg	384	−2.2
Skis Rossignol	774	+14
Telemech Elect.	980	−10
Thompson (CSF)	172	+1
Valeo	951	−0.5

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Barratt Dev.	548	− 2
Bilton (P.)	280	−10
Bio-Isolates	270	−19
Bonusbond	48	+ 9
BP	326	+ 4
British Syphon	48	+12
CRA	267	+10
Eastern Produce	114	+18
Home Charm	354	+19
Shell Transport	446	+ 8
Sothebys	500	+68
Yelverton	66	+ 7

FRIDAY'S

Based on bargains recorded in Stock Exchange Official List

Stock	No. of changes	Friday's close	Day's change
St T & Cables	29	244	+22
Lon. & Liv. Tst.	21	465	+30
Midland Bank	18	410	−10
Bilton (Percy)	16	290	+28
Bio-Isolates	18	288	−22
BET Deferred	15	263	+ 5
Laeme	14	234	−11
Ouseft	13	17½	+ 3
Racal Elec.	11	476	+ 8
BAT Industs	12	655	−15
Beecham	12	390	−12
Hollis Bros.	12	58	+ 7
Unilever	12	832	− 8
ICI	11	392	− 6

RISES AND FALLS

	Rises	Falls	Same
British Funds	90	4	4
Corpns., Dom and Foreign Bonds	28	4	47
Industrials	315	207	809
Financial & Props.	112	73	332
Oils	28	20	32
Plantations	2	2	10
Mines	37	33	82
Others	35	77	51
Totals	645	420	1,405

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (132)

AMERICANS (2)
BANKS (2)
BREWERS (1)
BUILDINGS (20)
CHEMICALS (8)
DRAPERY AND STORES (4)
ELECTRICALS (9)
ENGINEERING (6)
FOODS (3)
HOTELS (1)
INDUSTRIALS (23)
INSURANCE (2)
LEISURE (1)
MOTORS (4)
NEWSPAPERS (3)
PAPER (3)
PROPERTY (4)
TEXTILES (6)
TRUSTS (28)
OIL AND GAS (2)
MINES (2)

NEW LOWS (8)

BANKS (1)
Ansbacher (H.)
ENGINEERING (1)
Mining Supplies
INDUSTRIALS (1)
Zygal Dynamics
MOTORS (1)
Technofan
NEWSPAPERS (1)
Sharpe (W. N.)
PAPERS (1)
CB Papers
OIL AND GAS (2)
Clyde Pet
Europa

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 14	Mar 25	June 16	June 27
Mar 28	Apr 8	June 30	July 11
Apr 18	Apr 29	July 14	July 25

For rate indications see end of Share Information Service

Call options were arranged in Kenning Motor, Britannia Arrow, ICL, Mersey Docks, Dunlop, Polly Pack, Yelverton, Armour Trust, Rugby Portland Cement, Lasmo, Rank Organisation, Dares Estates, Wearwell, Argyle Trust, Maurice James, Boustead, First National Finance, Standard Telephones and Cable, Trident TV A, Telefusion, Sturla, Drayton Far Eastern Trust and Belhaven. Puts were done in Lasmo, BSR and Combined Technologies, while a double was arranged in First National Finance.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Mon March 14 1983 Index No.
1 CAPITAL GOODS (207)	460.0
2 Building Materials (23)	455.0
3 Contracting, Construction (30)	824.6
4 Electricals (32)	1672.4
5 Engineering, Contractors (10)	440.3
6 Mechanical Engineering (66)	219.9
8 Metals and Metal Forming (11)	174.2
9 Motors (18)	97.9
10 Other Industrial Materials (17)	429.9
21 CONSUMER GROUP (200)	420.5
22 Brewers and Distillers (23)	461.3
25 Food Manufacturing (21)	346.2
26 Food Retailing (14)	891.1
27 Health and Household Products (8)	744.2
29 Leisure (24)	518.8
32 Newspapers, Publishing (13)	743.45
33 Packaging and Paper (14)	167.05
34 Stores (47)	363.18
35 Textiles (22)	201.40
36 Tobaccos (3)	452.57
39 Other Consumer (11)	387.55
41 OTHER GROUPS (79)	338.39
42 Chemicals (15)	435.88
44 Office Equipment (6)	109.16
45 Shipping and Transport (14)	626.60
46 Miscellaneous (44)	483.17
49 INDUSTRIAL GROUP (486)	424.11
51 Oils (14)	749.29
59 500 SHARE INDEX	451.86
61 FINANCIAL GROUP (121)	316.22
62 Banks (6)	355.96
63 Discount Houses (8)	308.12
65 Insurance (Life) (9)	390.47
66 Insurance (Composite) (10)	198.49
67 Insurance Brokers (7)	572.81
68 Merchant Banks (13)	161.15
69 Property (54)	472.88
70 Other Financial (14)	252.35
71 Investment Trusts (109)	434.39
81 Mining Finance (4)	254.33
91 Overseas Traders (16)	441.47
99 ALL-SHARE INDEX (750)	437.41

FIXED INTEREST

PRICE INDICES	Mon March 14	Day's change %	Fri March 11			
British Government						
1 5 years	117.44	+0.27	117.12			
2 5-15 years	129.61	+0.66	128.76		—	2.50
3 Over 15 years	138.25	+0.85	137.89		—	2.31
4 Irredeemables	147.17	+0.75	146.87		—	1.62
5 All Stocks	128.32	+0.61	127.54		—	2.28
6 Debentures and Loans	181.87	+0.04	181.83		—	1.91
7 Preference	78.56	+0.31	78.34		—	1.81

AVERAGE GROSS REDEMPTION YIELDS		Mon March 14	Fri March 11	Year ago (approx.)
7 High Coupons	5 years	11.41	11.55	13.88
8	15 years	11.26	11.37	13.97
9	25 years	10.70	10.81	13.41
10 Irredeemables	†	10.07	10.14	12.17
11 Debs & Loans	5 years	12.15	12.15	14.76
12	15 years	12.38	12.39	14.66
13	25 years	12.45	12.40	14.66
14 Preference	†	12.47	12.51	15.29

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY; price 15p, by post 28p

FINANCIAL TIMES STOCK INDICES

	Mar. 14	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 7	year ago
Government Secs.	81.34	80.79	81.62	80.35	80.59	90.76	68.47
Fixed Interest	82.70	82.42	82.70	81.78	81.87	81.88	69.05
Industrial Ord.	665.8	663.3	870.8	664.8	664.6	666.1	665.8
Gold Mines	591.5	592.6	607.8	584.6	*683.4	589.8	211.5
Ord. Div. Yield	4.83	4.84	4.79	4.85	4.82	4.82	6.66
Earnings, Yld.% (full)	10.14	10.17	10.07	10.15	10.14	10.16	10.28
P/E Ratio (net) (*)	11.92	11.89	18.00	11.91	11.90	11.95	12.52
Total bargains	25,026	25,079	24,083	24,823	28,166	24,491	21,009
Equity turnover £m.	—	246.82	278.15	907.65	952.21	215.17	123.32
Equity bargains	—	21,865	22,598	12,045	21,636	20,563	16,929
Shares traded (mil)	—	154.2	171.5	196.0	143.8	152.0	96.5

10 am 665.3. 11 am 665.9. Noon 665.5. 1 pm 666.1. 2 pm 666.4. 3 pm 666.5.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.
Nil=11.14.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	95.84 (8/11)	61.89 (6/1/82)	127.4 (9/1/35)	48.18 (3/1/75)
Fixed Int.	87.02 (12/11/82)	69.79 (7/1/82)	150.4 (28/11/47)	50.55 (3/1/75)
Ind. Ord	870.2 (10/3/83)	518.1 (5/1/82)	870.2 (10/3/83)	49.4 (26/6/40)
Gold Mines	754.7 (15/2/83)	181.2 (22/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 11	Mar. 10
—Daily Gilt Edged Bargains	176.5	177.2
Equities Bargains	141.7	146.0
Value	498.8	562.2
5-day Avrge Gilt Edged Bargains	175.3	176.5
Equities Bargains	166.9	140.1
Value	484.3	511.8

NEW YORK AND CANADA

Indices

NEW YORK — DOW JONES

	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 4	1982-83 High	1982-83 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Industr'ls	1117.74	1120.94	1132.84	1116.78	1141.74	1140.98	1141.74 (7/3/83)	776.92 (12/8/1)	1141.74 (7/3/83)	41.22 (2/7/32)
H'me Bnds	73.23	73.20	73.28	(u)	73.32	73.36	73.41 (3/3/83)	56.67 (12/2)	—	—
Transport	503.54	505.18	507.76	502.34	508.10	511.12	511.12 (4/3/83)	292.12 (12/8)	511.12 (4/3/83)	12.32 (8/7/32)
Utilities	126.98	127.40	128.00	188.28	129.34	129.29	129.84 (3/6/83)	105.22 (30/7)	183.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	67,240	96,416	84,250	79,418	84,920	80,930	—	—	—	—

• Day's high 11,2761 (1145.22) low 1107.97 (1118.48)

	Mar. 4	Feb. 25	Feb. 18	Year ago (Approx)
Indust'l div. yield %	4.78	4.88	4.95	6.90

STANDARD AND POORS

	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 4	1982-83 High	1982-83 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls	169.78	170.34	171.60	169.60	172.37	172.23	172.87 (7/3/83)	114.08 (12/8)	172.87 (7/3/83)	3.82 (30/6/32)
Comp's'te	151.24	151.80	152.87	151.28	153.67	136.87	153.67 (4/3/83)	102.42 (12/8)	153.67 (4/3/83)	4.40 (1/6/32)

	Mar. 9	Mar. 9	Feb. 26	Year ago (approx)
Indst'l div. yield %	4.24	4.22	4.69	6.09
Indust'l P/E ratio	16.11	11.89	11.45	7.37
Long Gov. Bond yield	10.56	10.39	10.52	13.15

N.Y.S.E. ALL COMMON

Mar. 11	Mar. 10	Mar. 9	Mar. 8	1982-83 High	1982-83 Low
87.29	87.65	88.25	87.40	88.66 (7/3/83)	58.80 (12/8)

Rises and Falls

	Mar. 11	Mar. 10	Mar. 9
Issues Traded	1,924	1,938	1,921
Rises	587	729	953
Falls	936	845	603
Unchanged	402	664	665
New Highs	100	201	143
New Lows	4	6	2

MONTREAL

	Mar. 11	Mar. 10	Mar. 8	Mar. 8	1982-83 High	1982-83 Low
Industrials	368.28	369.28	367.40	364.79	388.29 (10/3/83)	249.58 (21/6)
Combined	359.61	360.66	368.58	356.52	300.65 (13/6/83)	257.27 (21/6)
TORONTO Composite	2163.80	2169.9	2159.6	2148.1	2170.6 (7/3/83)	1362.2 (7/7)

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 31

NEW YORK CLOSING PRICES

Continued from Page 31

COMMODITIES AND AGRICULTURE

Coffee moves to 32-month high

By Our Commodities Staff

COFFEE PRICES on the London futures market moved to new 32-month highs yesterday in a continued reaction to Friday's decision by the International Coffee Organisation on reduced export quotas.

A 750,000 bags (60 kilos each) reduction had been agreed by ICO members last year after Israel and Hungary withdrew from the International Coffee Agreement. But many dealers were surprised at the decision to concentrate 500,000 bags of this into the April/June quarter instead of sharing it equally between that quarter and July/September.

The effect is to make nearby supplies tighter than had been expected and therefore to push prices higher. The May futures position climbed to £1,770 a tonne at one stage yesterday before ending £17.50 up at £1,756 a tonne.

The quota reduction is shared pro-rata among producers. Brazil takes the biggest cut in April/June at 153,000 bags, followed by Colombia at 81,000. The African and Malagasi Republic quota goes down by 59,000 bags while Indonesia, El Salvador and Uganda each lose around 22,000 bags.

● Coffee is so scarce in Poland that the authorities have cancelled a two-kilo monthly allowance previously granted to government offices and *institutions for serving* to visitors and at conferences, according to the economic weekly Zycie Gospodarcze.

Because of shortages of foreign exchange and other import priorities, no coffee has been bought this year.

Surge in price of nickel accelerates

BY JOHN EDWARDS, COMMODITIES EDITOR

THE RECENT surge in nickel prices accelerated yesterday on the London Metal Exchange. Cash nickel gained £154.5 to £3,347 a tonne—the highest level since August 1981 and a rise of over £1,000 since the beginning of the year.

Traders said there was continued buying interest from steel mills, reflecting improved demand, as well as covering by producers of sales commitments. There is also known to be considerable speculative participation in the market, which has built up considerably in recent weeks.

The surge in values has come in spite of a steady build up in LME warehouse stocks of nickel, which last week increased by a further 528 tonnes to a record total of 11,310 tonnes. The rise in LME nickel holdings is not considered significant in global terms.

Tin prices rose to peak levels, although here too LME stocks rose by 890 to 36,935 tonnes. Cash tin gained £51.5 to £8,999 a tonne trading over £9,000 for the first time since February last year. The three months quotation was £49 up at £9,020.5 a *tonne*.

With severe export quotas restricting supplies, the buffer stock of the International Tin Council is continuing support buying both in London and Penang.

A shock to the copper market yesterday was a rise in warehouse stocks of 4,125 tonnes taking total holdings to a four-year high of 302,750 tonnes. Lead stocks jumped too by 4,950 to 145,800 tonnes; aluminium by 2,675 to 264,925; and by 400 to 91,225. LME silver holdings fell by 70,000 to 34,080,000 ounces.

EEC sugar strategy

BY RICHARD MOONEY

AN EEC strategy for stabilising the world sugar market was approved in Brussels yesterday by Community Foreign Ministers, as preparatory talks aimed at clearing the way for the negotiation of a new International Sugar Agreement were beginning in London.

The EEC plan—the first to be given the general backing of members of the Community, which has so far stayed outside the ISA—is for a three-tier accord.

The top ten producers would be required to hold stocks off the market while a middle band of producers would be subjected to export quota arrangements. Smaller producers would be left free of restrictions.

The plan will be explained more fully at this week's London talks where delegates yesterday foresaw difficulties in reconciling it with the preference of many existing ISA members for continuation of across-the-board export quotas.

Most members are very anxious, however, to find a way of bringing the EEC, the biggest exporter to the free market, within the accord.

Full-scale negotiations are scheduled for May 2-20 in Geneva and this week's talks are intended to rationalise negotiating topics ahead of this.

The current pact expires at the end of 1984 but it is hoped a new agreement can be brought into operation by the beginning of the year.

Plans to protect tropical forests

TIMBER exporters and importers opened negotiations in Geneva yesterday on an international pact to help curb destruction of tropical forests. The accord would not include price stabilisation measures but would be designed to secure supplies of timber, which are becoming dangerously depleted, Reuter reports.

● THE Hong Kong Commodities Trading Commission says it will tighten control over paper gold trading in the Protection of Investors Ordinance due in about a month.

● HOME GROWN FRUITS, the largest UK fruit marketing co-operative, yesterday launched a range of specially designed packs to improve the image of apples and pears. The Reed group has invested more than £3m in a press—able to provide the multi-colour printing used to reproduce a Bramley, Cox's Orange Pippin and Comice pear on the packs.

● EEC subsidies on UK food imports came into effect again yesterday for the first time in more than three years. The decline in sterling value has taken the rate below that of the Green Pound on which Common Market farm prices are based. Import subsidies and export levies have been *introduced* to prevent UK producers gaining an unfair price advantage.

● THE USSR has bought 15,000 tonnes of New Zealand mutton this season, bringing its total purchases to about a quarter of this year's New Zealand *production*.

● ARGENTINA is likely to raise its grain sales to the Soviet Union to 11-12m tonnes this year, compared with 9.5m tonnes last year, says Agriculture Secretary Victor Santirso.

Gloom lifts slightly for Bahia planters

Cocoa crop prospects now seem better than expected. Our Correspondent explains

COCOA PLANTERS in Bahia, recovering from the very severe drought of the end of last year, are hoping that the heavy rains now falling over the region will not be severe enough to provoke floods or produce diseases brought about by too much rain.

Surprisingly, the prolonged severe drought has not affected the total size of the "temperao" crop, to be harvested from April to August, by anywhere near the degree feared at the turn of the year.

This year's temperao is likely to be of 180,000 tons, or 3m bags, far better than the 2.3m-2.5m feared at one time, and will bring the total 1982-83 crop to about 5.1m-5.15m bags rather than the feared 4.9m.

The 1981-83 crop was 4.7m bags. However, the crop is late, and the size of the main crop normally harvested between October and the end of April 1984, can still only be a guess as the pods have yet to form.

But it cannot escape being far more severely affected than the temperao, if only because the whole cycle is delayed and there will not be enough time for as many pods as usual to form before the effect of the Bahian winter, at its peak during July and August, starts to be felt.

First estimates of the main crop can start to be made at the end of April. The lateness of the temperao crop, and the uncertainties about the main crop, are being coupled with the far worse news from Africa, say sources in Bahia.

In the Ivory Coast, the damage caused by the dry winds is the worst in recent times. Brazil feels the news of fires in Ghana has been considerably exaggerated for speculative reasons.

It is thought, though, that these factors will produce a situation where this year's total cocoa crop will be closer to the amount actually needed for several years, and there could well even be a short term shortfall.

The market for cocoa is not growing much at the moment, Bahian sources say. The recession and reduced demand for all kinds of packed foods, brought about in the United States by the contaminated drugs and food scare, is keeping demand down.

The drought has probably set the whole of the Bahian stock, of trees back by a full year, while trees less than three years old were particularly seriously affected. Cocoa in Bahia is mostly planted on hilly land, on well drained, light clay, or sandy soils, so the long drought caused the water table to drop and water supply to be reduced.

The question remains whether last year's drought, similar, although worse than in 1979, is in fact a reversion to an earlier weather pattern, and that the wetter earlier summers of recent times will prove to have been an abnormal period.

To form well, cocoa trees seem to need something of a weather shock produced by adverse conditions, to encourage good flowering, and subsequent good pod setting: Apparently ideal conditions do not produce the best harvest.

One area which has not been affected by the drought is Rondonia, now responsible for some 10,000 tons, or about 3 per cent of Brazil's total.

Rondonia produces a type of cocoa complementing that of Bahia and commands a premium price. Rondonia plantations have also been affected less by the price fall of recent years.

They tend to be family farms, averaging between 10-15 hectares, compared with the 25-30 hectares average of Bahian plantations, where labour tends to be employed and has been run down in recent years.

Brazil's recent devaluation is not thought likely to affect cocoa exports in any way, 15 per cent tax having been applied to prevent windfall profits to traders. Further measures regarding the modification of the 10 per cent levy destined for the cocoa agency Cepac, and of taxes, are likely to come later in the year.

Cocoa growers have become increasingly critical of Cepac at a time of low prices, and say it has become top heavy. The total debt of growers is now equivalent to more than $25m—three times their annual earnings—and is of concern both to them, and to the Government.

Price support action discussed

POSSIBLE FUTURE price support action will be discussed at the International Cocoa Organisation (ICCO) meetings which started in London yesterday, ICCO delegates said.

The present international cocoa agreement includes a buffer stock but this has been inactive for a year pending an ICCO council decision on whether to use a $75m (£49.6m) Brazilian bank loan to buy cocoa on a deferred payment basis.

The buffer stock manager outlined in February possibilities for renewing buffer stock purchases, by drawing on the loan and/or some of the accrued buffer stock funds currently totalling about $30m.

Support for dairy over-production penalties

BY LARRY KLINGER IN BRUSSELS

THE EUROPEAN Commission last night claimed broad initial support for its plan to penalise dairy farmers for costly and *growing milk over-production*.

At last night's launch of the EEC Agriculture Ministers' annual marathon talks to fix guaranteed farm price levels for the coming marketing year, Britain, West Germany, Italy, Greece and the Netherlands gave initial support to commission plans.

The commission has warned that high price rises could break *the EEC bank* and the *current* EEC-U.S. dispute over subsidised competition is also a major factor. The question of dairy surpluses are central to the negotiations.

The commission is proposing a 5.5 per cent "norm" increase for most products which would lead to an average price rise of less than 4.4 per cent if its plans for containing dairy and *most cereal increases* to between 2.5 and 3 per cent are accepted.

Considerable support emerged for penalising current over-production by awarding the lower price rises but some member states were far from convinced. France was worried about protecting the EEC's small family holdings against any swingeing penalties. Belgium and Denmark also expressed strong concern.

The commission warns that an already expected 20 per cent rise in farm spending next year might endanger any agreement on future EEC budget debates to Britain and any possible rapprochement with the U.S.

PRICE CHANGES

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL prices were mixed on the London Metal Exchange. NICKEL surged ahead to £3450 on renewed speculative and trade support but eased marginally to close the late kerb at £3410, while buffer stock support lifted TIN to £9030 before a close of £9027.5. Chartist support boosted ZINC to £472 while LEAD was finally £311.25. COPPER traded between £1083 and £1089 before closing little changed at £1085.5.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	1082.5-3	+6.25	1049.5-50.5	—1
3 months	1085-.5	+8	1083-.5	+1
Settlem't	1083	+6	—	......
Cathodes				
Cash	1034-5	+7.75	1031-2	—1.5
3 months	1064-5	+7.75	1061-2	—
Settlem't	1030	+7.5	—	
U.S. Prod.	—	—	*79-83	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade [illegible]

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8955-60	+20	8998-90	+51.5
3 months	8985-90	+27	9020-1	+45
Settlem't	8960	+20	—	......
Standard				
Cash	8955-60	+20	8998-90	+51.5
3 months	8985-90	+27	9020-1	+49
Settlem't	8960	+20	—	......
Straits E.	$30.10	+0.05	—	......
New York				

Tin—Morning: Standard: Three months £8980, 81, 85. Standard: Kerb: Three months £8990, 9000, 8995, 89. Afternoon: Standard: Cash £9000, three months £9020, 21, 25, 21, 22, 21, 20, 21. Standard: Kerb: Three months £9021, 25, 24, 25, 30, 27, 30. Turnover: 2,500 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	300-.5	+5.37	297-8	—.75
3 months	311.5-2	+5.25	309-10	+.25
Settlem't	300.5	+6.5	—	....
U.S. Spot	—	....	—	....

Lead—Morning: Cash £298.00, 99, 99.50, 300, three months £310, 10.50, 12. Kerb: Three months £312. Afternoon: Cash £297, three months £311, 11.25, 11, 10.50, 10. Kerb: Three months £311, 10.50, 11. Turnover: 12,075 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	456.5-6	+4.5	455.5-6	+5.5
3 months	471.5-2	+6	471.5-2	+6
Settlem't	456	+4.5	—	.....
Primw'ts	—		*40-.75	.....

Zinc—Morning: Cash £456, 55.50, three months £470, 69.50, 69, 70, 71, 70.80, 71, 72. Kerb: Three months £472. Afternoon: Three months £472.50, 73, 72.50, 71, 71.50, 71, 70.50, 71, 71.80. Kerb: Three months £472, 72.50, 72. Turnover: 11,700 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	865.5-6.5	—4.75	861.0-2.5	—7.5
3 months	895-.5	—3.5	890-1	—5.75

Aluminium—Morning: Three months £897, 96, 96.00. Kerb: Three months £895.50, 95. Afternoon: Three months £895, 93.50, 92, 93, 92, 89, 88, 90. Kerb: £890, 89, 88, 87, 86, 85, 86, 87.

NICKEL

[illegible]

SILVER

LME—Turnover 196 (206) lots of 10,000 ozs. Morning: Three months 746.0, 48.0, 47.2. Kerb: Three months 747.0, 46.5. Afternoon: Three months 744.0, 43.5, 43.0, 42.0. Kerb: Three months 743.0, 42.0, 43.0.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	726.10p	+3.15	724.5p	+6.5
3 months	744.95p	+3.45	744.5p	+7.0
6 months	763.25p	+2.85	—	......
12 months	798.30p	+2.80	—	......

Silver was fixed 3.15p an ounce higher for spot delivery in the London bullion market yesterday at 726.15p. U.S. equivalents of the fixing levels were: spot $10.943, up 7.3c; three-month $11.184, up 8.9c; six-month $11.443, up 9.6c; and 12-month $11.937, up 9.7c. The metal opened at 721-724p ($10.85-$10.90) and closed at 723-726p ($10.91-$10.96).

COCOA

After failing to make the dues on the [illegible]

COFFEE

GRAINS

POTATOES

RUBBER

The London physical market opened slightly easier, drifted lower throughout the day and closed very quiet, Lewis and Peat reported a March fob price for No. 1 RSS in Kuala Lumpur of 248.5 (250.0) cents a kg and SMR 20 242.0 (243.0).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
Apr	730-739	759-767	—
May	756-742	760-757	—
Apl-Jne	755-759	760-765	745-752
Jly-Sept	761-762	788-720	780-759
Oct-Dec	790-792	817-819	811-791
Jan-Mch	816-820	848-846	824
Apl-Jne	845-848	868-870	847
Jly-Sept	876-877	891-898	875
Oct-Dec	890-912	919-957	—

Sales: 189 (355) lots of 15 tonnes, nil (same) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 75.00p (77.50p); April 77.50p (78.50p); May 78.75p (79.75p).

SOYABEAN MEAL

The market opened 50p easier on stronger sterling, reports T. G. [illegible]

SUGAR

WOOL FUTURES

JUTE

COTTON

TEA AUCTIONS

LONDON TEA AUCTION—There were 39,497 packages on offer including 7,140 packages in the offshore section. Demand was good and general. North Indians were a strong feature and gained 2p-5p. Sylhets were well supported and about firm. Selected bright Africans were firm to dearer but mediums were irregular and at times 1p-2p easier. Offshore offerings were well received and there was some irregularity but prices generally were firm to dearer. Quotations: quality 146p a kg (144p), medium 136p a kg (134p), low medium 122p a kg (119p).

INDICES

FINANCIAL TIMES

Mar. 11	Mar. 10	M'th ago	Y'ar ago
261.67	262.61	256.73	244.23

(Base: July 1 1952=100)

REUTERS

Mar. 14	Mar. 11	M'th ago	Y'ar ago
[illegible]	[illegible]	[illegible]	[illegible]

MEAT/FISH

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60	+0.50
Iranian Light	26.50-27.25	+0.27
Arabian Heavy	26.50-20.40	+0.15
North Sea (Forties)	27.80-28.10	+0.18
North Sea (Brent)	28.10	+0.38
African Bonny L'ht	27.50-28.50	—0.05
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	268-274	+ 1.0
Gas oil	234-241	+ 0.5
Heavy fuel oil	156-158	—

GAS OIL FUTURES

[illegible] $2.00, but coming too late to have any real impact, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
March	255.75	+4.25	257.50-55.75
April	209.00	+5.50	255.25-51.50
May	230.00	+8.00	230.50-28.50
June	226.50	+6.50	222.25-24.00
July	225.50	+7.80	220.00-20.50
Aug	287.00	+7.35	228.00-25.00
Sept	289.50	+7.50	228.00-28.00
Oct	250.00	+5.00	250.00-28.00
Nov	251.00	+0.75	254.00-54.00

Turnover: 4,261 (2,644) lots of 100 tonnes.

GOLD MARKETS

Gold rose $5 an ounce from Friday's close in the London bullion market yesterday to finish at $427-428. The metal opened at $428-429 and traded between a best level of $432½-433½ and a low of $426½-427½. Trading was rather quiet for much of the day with little impetus after the opening of New York. Expectations of a $29 per barrel oil price had been discounted to a large extent.

In Frankfurt the 12½ kilo bar was fixed at DM 33,330 per kilo ($432.99 per ounce) against DM 32,755 ($426.02) and closed at $428½-429½ from $420-421.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $430.50 from $427.

In Zurich gold finished at $428-429 from $419-422.

In Paris the 12½ kilo bar was fixed at FFr 97,000 per kilo ($438.77 per ounce) in the afternoon compared with FFr 97,000 ($438.04) in the morning and FFr 97,500 ($437.50) on Friday afternoon.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
March	427.00-28.0	+6.50	—
April	430.70-29.8	+6.40	405.50-28.5
May	436.00-26.0	+6.40	—
June	435.00-38.0	+6.25	441.50-35.5
July	439.00-40.0	+6.50	—
August	442.50-40.2	+7.00	—
Sept	445.50-40.0	+6.55	—

Turnover: 796 (1,081) lots of 100 troy ounces.

	Mar. 14		Mar. 11	
Gold Bullion (fine ounce)				
Close	$407-428	(£283¼-284)	$422-403	(£280-281½)
Opening	$408-429	(£284½-285½)	$425½-407½	(£285-283¾)
Morning fixing	$431½	(£286.401)	$424	(£291.260)
Afternoon fixing	$429½	(£284.161)	$420.50	(£280.205)

Gold Coins Mar. 14

Krugrnd	$440-441	(£291½-292¼)	King Sov	$104-106	(£69-70)
½ Krg	$226¾-227¾	(£150½-151)	Victoria Sov	$104-106	(£69-70½)
¼ Krg	$110½-111½	(£76½-77¼)	French 20s	$84.0-92.2	(£59-61)
1/10 Krug	$47-48	(£31-31¾)	50 pesos Mex	$511.2-529.8	(£338½-340)
Mapleleaf	$439-440	(£290¼-291½)	100 Cor. Aust	$414.6-410.4	(£278½-278)
New Sov	$100½-101½	(£66½-67¼)	$20 Eagles	$570-590	(£377½-391)
½ New Sov	$60-62	(£50¾-41)			

EUROPEAN MARKETS

ROTTERDAM, March 14.

[illegible]

PARIS, March 14

[illegible]

AMERICAN MARKETS

THE Opec announcement on a new price and production quota agreement proved to be a positive factor in the commodity markets. Both silver and gold rallied on the assumption that the principle source of downside pressure has been at least temporarily eliminated. Short covering in both markets resulted in sharp advances on relatively light volume. Copper prices rallied in sympathy with gold, with technical buying providing additional support. Arbitrage buying was also an early factor supporting the market. Heating oil rallied sharply on the Opec news with short covering and technical buying providing the best support. Sugar prices rallied strongly on EEC's approval of participation in the ISO as well as on the turnaround in precious metals. Arbitrage buying was a strong supportive feature. Cocoa rallied strongly on continued reports of West African delays in shipments from the interior as brush fires continue to threaten the crop. Coffee gained moderately on the approval and distribution of the quota cut which was channelled mostly into the next calendar quarter. Soyabeans and grains rallied with the precious metals attracting both short covering and local and professional buying. Speculative buying centred primarily on soyabeans which advanced the most while maize and wheat lagged. Reported by Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	1788	1775	1746	1725
May	1838	1840	1795	1780
July	1869	1872	1826	1811
Sept	1897	1897	1855	1843
Dec	1912	1908	1880	1853
March	1937	1920	1905	1878
May	1962	—	—	1903
July	1987	1965	1965	1913

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	123.58	124.35	123.68	123.70
May	123.41	124.15	122.80	123.37
July	122.30	122.70	121.75	122.08
Sept	121.08	121.25	120.80	120.85

SUGAR WORLD 11 112,000 lb, cents/lb

	Close	High	Low	Prev
May	6.83	9.84	8.65	6.64
July	7.07	7.08	6.88	6.86
Sept	7.42	7.42	7.18	7.18
Oct	7.61	7.63	7.42	7.39
March	9.64	9.65	9.45	9.39
May	9.89	9.85	9.74	9.67
July	0.20	5.20	8.96	9.88

CHICAGO

LIVE CATTLE 40,00 lb, cents/lb

	Close	High	Low	Prev
April	65.10	66.10	65.65	65.87
June	66.57	65.80	66.07	66.15
Aug	64.87	64.90	64.10	64.22

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100⅝	92⅞	Treasury 9½pc '83	99⅝	+1/16	9.28	10.34
104⅝	96⅞	Exch. 13½pc '83	101½	+⅛	13.26	10.60
101¼	91⅞	Exch. 10pc 1983	99⅝	+1/16	10.04	10.44
98¼	87⅛	Funding 5½pc '82-84‡‡	97¼	+⅛	5.66	8.94
103¾	91⅞	Exch. 11¼pc 1984	100½	+⅛	11.13	10.22
107¼	96¼	Exchequer 14pc 1984	103⅝	+⅛	11.51	10.65
94½	81⅛	Exch. 3pc 1984	94¼	...	3.18	7.85
105¼	91½	Treasury 12pc 1984	102¼xd	+⅛	11.74	10.40
112	96⅞	Treasury 15pc 1985	107⅛	+⅛	13.97	10.68
117¼	103⅛	Exch. 12pc Cnv '85	104¼xd	+½	11.46	9.35
91¼	73½	Treasury 3pc 1985	90⅝	−⅛	3.32	7.68
105½	87½	Treasury 11½pc 1985	101½	+⅛	11.33	10.75
102	95½	Treas 8¾pc Cnv '85	97¼	+½	9.00	9.99
101⅝	88⅝	Exch. 12¼pc 1985	102⅝	+¼	11.94	11.11
106⅝	86⅛	Exch. 11¾pc '86	101¾	+⅛	11.55	11.05
89½	69	Treasury 3pc 1986	87	−⅛	3.45	7.49
107¼	86¼	Treasury 12pc '86	102¼	+⅛	11.73	11.12
100	80⅜	Treasury 8¼pc '84-86‡‡	95¼	+¼	0.88	10.03
116¼	96⅛	Treas. 12¼pc '86 Cnv.	109½	+½	11.19	8.90
114	91⅞	Exch. 14pc 1986	107⅞	+⅛	13.60	11.33
—	—	Ex10½pcCv'86(£25pd)	£98¼	...	10.63	10.97
112	90	Exch. 13¼pc 1987	106¼	+⅛	12.48	11.20
84¼	83¾	Exchequer 2½pc 1987	84¼	...	2.97	7.20
183½	95¼	Exch. 10½pc 1987	98¼xd	+⅛	10.69	11.07
30⅛	29¼	Ex. 10½pc '87A (£30pd).	29⅝	+⅛	10.71	11.08
93⅛	73⅝	Funding 6½pc '85-87‡‡	90⅛	−⅛	7.21	9.44
05¼	64½	Treasury 3pc 1987	83	−⅛	3.61	7.69
109	[illegible]	Treas. 12pc 1987	[illegible]	[illegible]	[illegible]	11.3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued.

[illegible]

For Wigfall (H.) see Stores

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا اصل الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	75	Falcon Rh.50c	250	...	025c	10.3	7.0
33	17	Wankie Col. Z$1	17	...	183c	1.2	12.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

EMS erratic: pound firm on Opec

Exceptionally high French franc Eurocurrency short term interest rates, touching over 2,000 per cent, and foreign exchange regulations introduced by the Belgian National Bank, pushed up the French and Belgian francs in the European Mooetary System yesterday. The French currency also rose sharply against the dollar and sterling, but dealing spreads were very wide in nervous thin trading. Other weaker members of the EMS, such as the Danish krone and Irish punt required support from the German bundesbank when falling to their lowest permitted levels against the D-mark in Frankfurt.

The easing of pressure on the French and Belgian francs tended to allow the D-mark to improve against the dollar, leading to a general weakening of the U.S. currency.

Sterling's trade-weighted index closed at the lowest since November 1978, reflecting movements against some EMS members.

The pound was firm against the dollar, showing particular strength after the London close, following news of an Opec settlement.

DOLLAR — Trade-weighted index (Bank of England) 120.2 against 122.2 six months ago. The dollar has shown renewed strength as a safe haven for funds during a period of extreme uncertainty about the effects of falling oil prices on other currencies. U.S. interest rates have not fallen as sharply as once expected, partly because of the high level of Federal funding. These factors are tending to outweigh the present trade position and balance of payments deficit.

The dollar fell to DM 2.3815 from DM 2.4010 against the D-mark; to FFr 6.7150 from FFr 6.9350 against the French franc; to SwFr 2.0625 from SwFr 2.0710 in terms of the Swiss franc; and to Y237.50 from Y238.40 against the Japanese yen.

STERLING—Trading range against the dollar in 1982-83 is 1.9265 to 1.5005. February average 1.5735. Trade-weighted index 79.0 against 79.5 at noon, 79.6 at the opening, 79.4 at the previous close, and 91.6 six months ago. Sterling remains weak and vulnerable because of uncertainty about world oil prices. The London Opec conference has proved particularly unsettling. Falling inflation, a decreasing budget deficit and good trade figures until recently have tended to be ignored.

Sterling opened at $1.5015-1.5025, and touched a low of $1.5010-1.5020 in early trading, before settling down to a general rate of $1.5050-1.5075. In the late afternoon the pound touched a peak of $1.5100-1.5110, and closed at $1.5095-1.5105, a rise of 95 points on the day. It rose to SwFr 3.1150 from SwFr 3.11, and to Y358.50 from Y358, but fell to DM 3.5975 from DM 3.6050, and very sharply to FFr 10.1350 from FFr 10.40

D-MARK—Trading range against the dollar in 1982-83 is 2.4940 to 2.2410. February average 2.4260. Trade weighted index 130.2 against 125.2 six months ago. A right of centre win in West Germany's general election was largely anticipated by the market, and emphasis is now switching to hopes of lower German interest rates and increased strains in the EMS as pressure grows on the weaker members.

The D-mark continued to strengthen in Frankfurt yesterday. Intervention by the Bundesbank on behalf of the weaker members included purchases of I£70,000 and DKr 7.9m as both the Irish punt and the Danish krone touched their floor levels against the D-mark. The Belgian franc rose to DM 5.1590 per BFr 100 from its floor level and previous fixing of DM 5.0740 in response to the introduction of currency control measures while the French franc improved to DM 34.8 per FFr 100 from DM 34.5 as the expected weekend realignment did not occur. The dollar rose to DM 2.3925 from 2.3904.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	43.7790	−2.65	−0.85	±1.5501
Danish Krone ...	8.23400	8.19314	−0.50	+1.30	±1.6430
German D-Mark	2.33379	2.27131	−2.68	−0.88	±1.0888
French Franc ...	6.61387	6.52225	−1.39	+0.41	±1.3940
Dutch Guilder ...	2.57971	2.51724	−2.42	−0.62	±1.5004
Irish Punt.........	0.691011	0.687309	−9.33	+1.47	±1.6691
Italian Lira	1350.27	1351.13	+0.06	+0.84	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

CURRENCY MOVEMENTS

CURRENCY RATES

THE POUND SPOT AND FORWARD

THE DOLLAR SPOT AND FORWARD

EXCHANGE CROSS RATES

FINANCIAL FUTURES

Bullish tone

Sterling based contracts improved steadily in the London International Financial Futures Exchange yesterday. Market sentiment was buoyed by hopes of an early end to the current meeting of Opec ministers and the establishing of new price and production levels. Comments made by various representatives yesterday were certainly interpreted as being encouraging. There was also increased optimism ahead of today's UK budget. Assuming there is nothing of a drastic nature to add to the most anticipated and thus the most discounted of today's proposals, the market outlook on interest rates is definitely bullish. These two factors combined to help push values firmer.

The June short sterling contract opened 8 points higher at 89.85 and broke through 90.00, an important psychological and chartist point, the reach a best level of 90.07. Values finished close to the day's highs at 90.06. Similarly the June gilt opened at 104-04 up from Friday's close of 103-21 and touched a best level of 104-20 before light selling pushed it back to a close of 104-15.

Euro-dollar prices opened lower in line with Friday's Chicago close with June starting at 90.55, down from 90.63. However these levels prompted fresh demand and with Chicago opening higher than expected, prices were pushed firmer. However there was some selling into the rally before late local buying saw values finish close to the day's highs. The June price reached a high of 90.68 before closing at 90.66. Friday's U.S. money supply figures were better than expected but still showed a further rise and with the market continuing to register some psychological reaction, these figures have become difficult to ignore completely.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.66	90.68	90.54	90.63
Sept	90.45	90.46	90.32	90.41
Dec	90.25	90.26	90.15	90.26
March	90.05	—	—	90.13
June	—	—	—	—

Volume 1,413 (1,228)
Previous day's open int. 3,335 (3,237)

THREE-MONTH STERLING DEPOSIT

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	75-27	76-01	75-24	75-21
June	75-07	75-11	75-01	74-31
Sept	74-21	74-25	74-13	74-13
Dec	74-05	74-11	74-02	73-31
March	73-24	73-28	73-22	73-19
June	73-13	73-22	73-13	73-09
Sept	73-00	73-09	73-04	73-00
Dec	72-28	73-01	72-27	72-24
March	—	—	—	72-16

MONEY MARKETS

Rates ease on Budget hopes

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

Interest rates declined on the London money market yesterday, as sterling held steady, awaiting further news from the Opec conference, while attention on the foreign exchanges remained focused on the European Monetary system, and the sudden improvement of the weaker currencies. Lower London interbank rates also reflected hopes that today's Budget may herald a fall in clearing bank base rates.

The Bank of England forecast a market shortage of £200m, but revised this to £150m later in the day. Before lunch the authorities gave help of only £18m by outright purchases of bank bills in band 2 (15-33 days maturity) at 11 per cent. In the afternoon the Bank of England bought another £126m bills outright by way of £104m bank bills in Band 1 (up to 14 days) at 11 per cent, and £22m bank bills in band 2 at 11 per cent. Total help on the day was £144m.

In Paris the Bank of France bought FFr 12bn of first category paper from the money market at an unchanged rate of 12½ per cent. The purchase is effective today, and the paper will mature between April 1 and 20. By keeping its market intervention rate unchanged the Bank of France action underlines the relative stability of domestic interest rates, in contrast to the very high level of Eurofranc rates. Short term Eurocurrency rates touched 1,000 per cent on Friday, to defend the franc from speculative pressure, and rose further to around 2,000 per cent yesterday as the French currency improved against stronger EMS currencies following the lack of any realignment at the weekend. Domestic call money was unchanged at 12¼ per cent yesterday, but fixed period rates eased by 1/16-¼ per cent.

In Copenhagen the Danish National Bank raised its money market intervention rate to 25 per cent, after increasing the rate to 20 per cent from 15.5 per cent on Friday in an attempt support the krone in the EMS. The Danish currency required central bank intervention when it touched the lowest limit permitted against the D-mark yesterday, but domestic money market rates were generally stable at around 16 per cent.

The weakness of all EMS currencies except the Dutch guilder against the D-mark has led to speculation that the German Bundesbank council meeting on Thursday will result in the German discount and Lombard rates being cut.

LONDON MONEY RATES

Mar. 14 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-19	—	—	—	10⅛-11¼	10¾-11¼	—	—	—
2 days notice	—	—	11⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11⅛	—	—	—	—
7 days notice	—	11⅛-11	11⅛	—	—	11⅛	11-11⅛	—	—	—
One month	11⅛-11⅛	11⅛-11⅛	11¼	11⅛-11⅛	11¼	11⅛	11	11-11⅛	11	11⅝
Two months	11⅛-11	11⅛-11¼	11¼	11⅛-11⅛	11⅛	11⅛	10⅞	10⅞	10⅞	11⅛
Three months	11-10⅞	11-11⅛	11	11⅛-11⅛	11⅛	—	10¾	10⅞-10⅞	10⅞-10⅞	11⅛
Six months	10⅞-10⅞	10⅞-10⅞	10¾	10⅞-10⅞	10¾	—	—	—	10⅞-10⅞	11⅛
Nine months	10⅞-10⅞	10⅞-10⅞	10⅞	11-10⅞	10¾	—	—	—	—	—
One year	10⅞-10⅞	10⅞-11⅛	10¾	10⅞-10⅞	10¾	—	—	—	—	—
Two years	—	—	10⅞	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 2 to March 1 1983 (inclusive) 11.391 per cent.

Local authorities and finance houses seven days' notice others seven days fixed. Long-term local authority mortgage rates nominally three years 11¼ per cent; four years 11¼ per cent; five years 11¼ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10½-10⁷⁄₁₆ per cent; four months trade bills 11¼ per cent.

Approximate selling rate for one month Treasury bills 10¾-10²³⁄₃₂ per cent; two months 10²¹⁄₃₂-10⅝ per cent; and three months 10¹⁷⁄₃₂-10⅝ per cent. Approximate selling rate for one month bank bills 10²³⁄₃₂ per cent; two months 10²¹⁄₃₂-10⅝ per cent; and three months 10⅝ per cent; trade bills 11¼ per cent; two months 11⅛ per cent and three months 11⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from March 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days' notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.7473 per cent. Certificates of Tax Deposit (Series 9). Deposits of £100,000 and over held one month 11¼ per cent; one-three month 11¼ per cent; three-six month 11 per cent; six-12 month 10¾ per cent. Under £100,000 10½ per cent from March 7. Deposits held under Series 3-5 10¾ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

FT LONDON INTERBANK FIXING

MONEY RATES

NEW YORK

NETHERLANDS

Discount rate	4
Overnight rate	4⅝-4⅞

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on March 14 1983. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviation: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rates; (exC) exchange certificate rate; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT	VALUE OF £ STERLING
Afghanistan ... Afghani	99.00
Albania ... Lek	10.17
Algeria ... Dinar	(A) 7.0
Andorra ... French Franc	10.135
Andorra ... Spanish Peseta	199.05
Greenland ... Danish Kroner	12.89
Granada ... E. Caribbean $	4.07
Guadaloupe ... Local Franc	10.135
Guam ... U.S. $	1.0100
Peru ... Sol	(exc)(A) 1,70.7
Philippines ... Philippine Peso	13.93
Pitcairn Islands ... £ Sterling	—
Pitcairn Islands ... New Zealand $	9.292

Authorised Units—continued

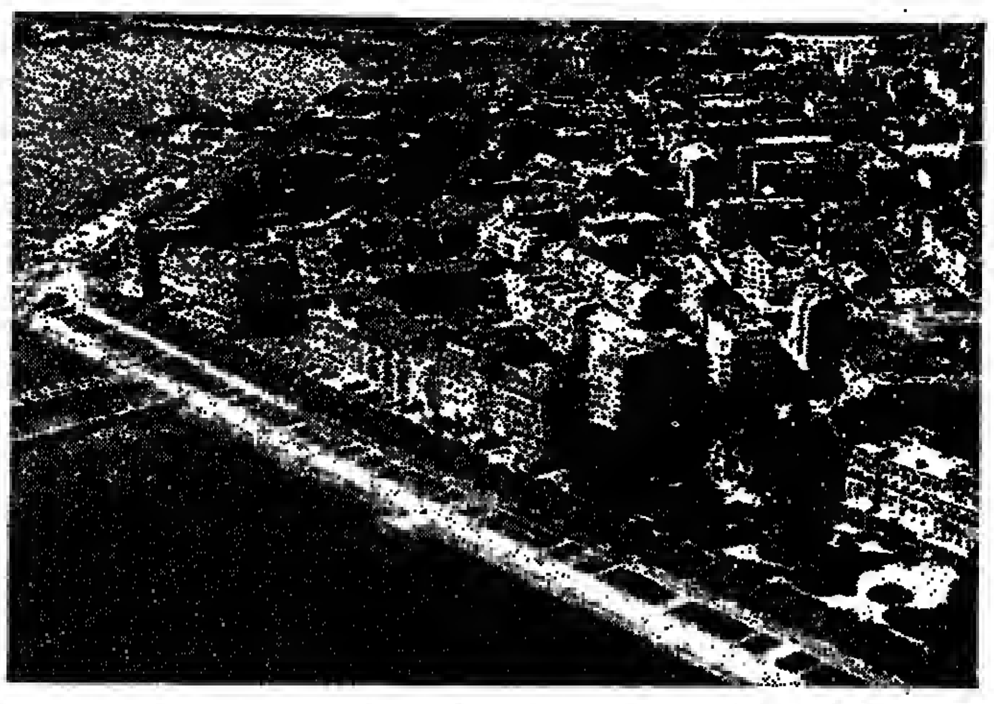
Insurances—continued

Offshore and Overseas—continued

FINANCIAL TIMES SURVEY

Geneva

[T]he international city—a home to world organisations—is also [a] very prosperous one. More liberal than Zurich, Switzerland's [f]inancial capital, it attracts the businessman who prefers [t]o use French and the holidaymaker who can afford the very best



City waterfront. Geneva's foreign population is a third of the total

CONTENTS

City firmly on the world stage

By ANTHONY McDERMOTT

AMONG THE most beautiful [o]f cities, especially in Switzer[l]and, are those which lie on a [l]ake and a river at the same [t]ime, receiving the river like [a] wide gate at the lake's end."

This image by the 19th [c]entury Zurich-born writer [G]ottfried Keller, fits Geneva [a]lmost flawlessly and for [c]enturies Geneva has been [r]eceiving not just the River [R]hone but citizens from the [r]est of the world ranging from [t]ravellers to businessmen to [p]olitical refugees, dissidents [a]nd international organisations [a]nd their representatives. The [c]ity's role within the confedera[ti]on of Switzerland is therefore [s]pecial.

In the last century the Inter[n]ational Red Cross set up its [h]eadquarters there. The ill-[fa]ted League of Nations was [es]tablished in 1919, and since [th]e 1939-45 world war there [h]ave been a whole string of [G]eneva "peace" conferences [a]nd processes of arbitration on [S]outh-east Asia and the Middle [E]ast and a wide range of talks [o]n subjects from maritime law [t]o human rights.

More recently, with the [di]sarmament talks between the [S]oviet Union and the U.S., and fraught Opec and Gatt meetings, Geneva has experienced something of a comeback as a centre for international negotiations.

With some justification, M Pierre Wellhauser, the current cantonal president, describes Geneva as the fulcrum for a plethora of UN and international organisations and commercial enterprises whose negotiations and planning continue non-stop.

"Geneva, for Switzerland, is the UN," he said. "It is the international city. I am convinced that in the spirit, soul and heart of every Swiss, he is happy to have in his country a city which has Geneva's prestige."

Tradition

It is not certain that all other Swiss would necessarily agree with these sentiments although they would not deny the basic facts. Because of its geographical position, the beauty of its environs, its good communications and, above all, historical tradition of being a liberal city, Geneva with a Swiss population of only 100,000 at the end of last year—with less than half of these Genevese—has an unequalled reputation for bringing together conflicting parties whose actions affect millions.

Where Geneva sits less easily with other Swiss cantons stems from other aspects of its history. Divisions within Switzerland according to the four main linguistic areas and by religion—Catholic and Protestant—can be exaggerated. But Geneva is seen as being the natural leader of the French-speaking western areas and somewhat selfish as well. Indeed, with its citizens being seen at times as merely "Frenchmen with Swiss passports" — a gibe which is both inaccurate and unfair too.

It reflects also not a little defensiveness towards the undoubtedly more liberal spirit in Genevese politics. This is a trait, however, which is not apparent in the chronically and apathetically low turnout figures in the frequent elections and referenda.

This spirit, in spite of the acute troubles between police and workers in the 1930s, has enabled Geneva to escape the repeated riots which hit Zurich, Switzerland's business capital, in recent years even though housing, and to a lesser extent, unemployment—tiny in numbers but almost twice the national levels — are growing problems.

Geneva's prosperity may be an additional cause of jealousy. It does not match Zurich as a financial centre, but presses for second place.

It is the third canton in terms of cantonal revenue and expenditure and, at $17,498 a year in per capita national income. It lags only behind Basel in the numbers of telephones and television sets and has more cars per head. It has one of the lowest ratios of population to dentists and doctors, again after Basel.

GENEVA: ... Area 282 sq km (of which lake 36 sq km)	
Population of canton	
1970	326,740
1980	342,439
(+4.8 per cent over 1970)	
1981	346,034
(+1 per cent over 1980)	
Population of city	
1970	171,259
(of which 32% foreign ntnls)	
1980	150,775
(of which 34% foreign ntnls)	
1981	151,981
(of which 34% foreign ntnls)	
Foreign residents in canton	
1970	106,884
1980	107,315
1981	108,556
Employment:	
1960	140,348
1970	170,203
1980	179,937
1981	179,776

National income per head: SwFr 34,367 (Union Bank of Switzerland estimate)

Within Geneva the welcome given to the local population of foreigners, which now totals more than a third of the inhabitants, has not always been unreserved. To many, the diplomatic corps and French number plates symbolise easy living, inflated salaries and the reasons why prices have gone up, why tables are hard to find at restaurants and why accommodation at a reasonable rent is very difficult to obtain.

M Wellhauser, and this is echoed by UN officials, is confident that this hostility is confined to a minority.

The relationship is in fact ambivalent. First, a considerable proportion of Geneva's population is not directly affected by the visitors. On another level, it is a canton for the rich with their lakeside villas on the southern shores. The old-established families have their own circles and by their backgrounds are originally from outside Geneva itself, and therefore well off *and* at a long-standing level "international."

The modern-day "internationals" from the UN organisations, too, may be said to keep themselves very much within their own circle of work and social activities. Genevans, local and foreign, have a well-earned reputation for privacy.

Then there is the aspect of self-interest. As M. Wellhauser puts it: "The second reaction of the Swiss (to Geneva) is indisputably to a prosperity which is not always comparable with the other regions because of the diversification of activities. Automatically, this brings in a certain number of Swiss citizens to Geneva to work."

The self-interest is on the Genevan side as well. In 1978, Dr Kurt Waldheim, perhaps as some passing gift to his native Austria for the day when he was to leave the Secretary Generalship of the UN, had tried to establish the competition of another UN complex outside Vienna.

For the Genevans, the prospects of this direct rivalry, perhaps even a diminution of their prestige, provoked a counter-attack of protesting delegations. In the end the transfer of personnel and offices turned out to be difficult and minimal.

An additional point is that being an international centre is highly profitable and generates considerable income and employment. The Geneva canton showed clearly that a special role so long inherited and nurtured whatever the possible social problems, is not given away that easily.

Challenges in the Swiss national referenda of 1970 and 1974 to curb the number of foreigners were heartily rejected in Geneva—as they will almost probably be again when the issue re-emerges in the near fuutre.

This all has a bearing on the sort of city and canton which the local inhabitants want for themselves in the future. In the face of their obvious proximity to France, Genevans nevertheless are assertive about both their special character and their Swissness. The number of foreigners and their institutions, the efforts to increase this further through already established organisations such as the European Nuclear Research Centre (CERN), and the expansion of road, rail and air facilities, have raised the question of what limits it can sustain.

The cantonal government (and the farmers) do not want to change the current land balance of 55/45 in favour of urban areas. There was an outcry in the mid-1960s when population forecasts of 800,000 for Geneva in a few decades were made.

Population growth rates at their current levels (foreigners included) would mean that this level could not be reached within a lifetime unless the infrastructure were planned and the cantonal long-term development committee produces some drastic result.

Strains

Nevertheless, the possibilities of even gentle growth could still place intolerable strains on Switzerland's second, but perhaps most singular, city.

As one observer put it: "Geneva does not want to be sucked under the umbrella of international organisations or particular nationalities or activities, because they (the Genevans) would be, in the end, warped in the process."

So far, Geneva has been more than able to cope with the advantages of being an international centre, but it has yet to prove to its citizens that it can solve the basic problems this boon brings.

GENEVA II

This thriving centre has been sheltered from the world recession, as **Anthony McDermott** reports.

Unquestioned prosperity of influential city

THE FACT THAT travel from one end of Geneva to the other rarely takes more than quarter of an hour, only reinforces the difficulty in grasping the concept that Geneva wields economic and political power far out of proportion to its size.

At the end of last year, the canton's population reached 350,900, of whom more than 112,000 were foreigners. The city of Geneva itself has a very small population — a mere 154,400—of whom just over 35 per cent were foreigners.

Its prosperity is unquestioned. Last autumn the Union Bank of Switzerland claimed in a study that Geneva had the highest pay levels of any of 47 leading cities in the Western world and that in Europe, measured by purchasing power, its standard of living was second only to Luxembourg.

The presence of so many foreigners is undoubtedly a key element in bringing this prosperity about, but it is also Geneva's historical crossroads position which has made it a financial and economic centre second only to Zurich, but different in character. At the same time, it has been largely sheltered from the worst effects of the world recession—and considerably so when compared with European cities elsewhere.

Secretive

As a banking centre it is perhaps best known for the operations of the secretive and long established private banks. Its stock market flourishes as do its commodity markets Local industries are suffering, but several major multi-national companies have made Geneva their headquarters, swelling the income and influence brought by the United Nations and other organisations.

Geneva has been an international city for centuries and the cantonal government is aware that the 20th century version of their traditional history brings its own social perils and potential for upheaval. Thus a senior cantonal committee has been holding regular sessions for some time to assess the sustainable limits of Geneva's expansion in the coming decades.

For a start, the overall shape of the canton's economy has changed drastically in tha last few decades. In terms of manpower, agriculture has remained the poor relation, providing just over 1 per cent, about half what it was two decades ago. But production of wheat and cereals and the vineyards of the Satigny and Dardagny areas are far from negligible.

Further, and this is crucial for future planning, almost no further encroachment on the agricultural areas for industry or construction is to be permitted.

It is in the industrial and service sectors that the changes in balance have been most marked. Heavy industry has fallen off sharply. "We used once to produce locomotives," an industrialist remarked wistfully. Middle and light industries are struggling to hold their own, but between 1960 and 1980 their share of manpower fell from 41 per cent to 21.8 per cent.

The tertiary sector, the provider of financial services, transport, housing, communications and tourist facilities, has taken up the slack. In spite of efforts by such organisations as the Office for the Promotion of Geneva Industry, the signs are that broadly this trend will continue.

This faces the region's planners with the prospect of Geneva gradually being forced to abandon its heritage of distinguished industrial inventiveness in favour of becoming a city state of white collar workers.

But before pessimists talk darkly of a future in which Geneva demographically resembles some Gulf states where foreigners are in the majority, a study condncted by industrialists showed that in 1980 foreigners were providing 49.5 per cent of the labour in the secondary sector, compared with 26.5 per cent in services.

This, in turn, raises the question about the extent to which local labour when faced with the choice between these two sectors, genuinely wishes to promote industry.

The answer, in fact, partially lies in Genevan self-interest. The infrastructure already there to exploit Geneva's fortunate geographical position is being enhanced. Geneva Airport is currently at full stretch handling 4.7m passengers a year, as it did in 1981 and 1982. As M. Paul Genton, the airport director, points out, Geneva is coping — once a potentially flying hinterland population of 2m is allowed for — with traffic equal to that of Paris or Brussels with 10m people around them.

M. Genton is enthusiastic about a three-phase plan drawn up by an American group which will permit the airport to cope with 8m passengers, without an initial expansion.

If parliamentary approval is given, work could begin by the end of tha year and be completed in 1987-88. The third phase would raise passenger capacity to 12m and involve the construction of a huge freight handling centre — without moving outside the existing airport perimeter.

Further, by 1987 Geneva's railway station would also bave been moved up to the airport, replacing that in the city centre and by then the Autoroute sweeping round Geneva northwards and westwards to join the French network should have been completed.

Thus Geneva's role as an international centre will be further developed. Geneva's latest amenities are a world trade centre, linking 40,000 member companies of the Association of World Trade Cantres, and a giant exhibition hall capable of hosting shows as well as a conference of as many as 10,000 delegates.

A separate international conference centre offers luxury facilities, including excellent telecommunications, for nearly 3,000 people and the Intercontinental Hotel is the regular venue for Opec meetings, with their elaborate security precautions. In addition, the UN buildings receive nearly 30,000 delegates annually for meetings and conferances.

Geneva currently is host to 37 UN and specialised agencies and bodies. The total expenditure of these and other international organisations such as multi-national companies amounted to an estimated SwFr 1.82bn in 1981, compared with SwFr 1.62bn a year earlier. For example, Digital Equipment Corporation International (Europe) estimated that through the payment of salaries, taxes, air fares and hotels, its headquarters office benefited the canton by SwFr 66.1m.

Migros, the giant supermarket chain, is the largest employer in the Canton, providing about 3,000 jobs. Du Pont's workforce bas some 87 nationalities, and about half the workers are Swiss. Its headquarters, which cover Europe and the Middle East, generated $2.08bn out of worldwide sales of $22.8bn in 1981.

Over the years most multinationals have had qualms about staying in Geneva. But these have generally reflected difficulties in obtaining work permits, about which both the federal and cantonal government are strict. For example, Union Carbide, which employs about 850 people in Switzerland, obtains between 15 and 20 a year.

Moves to restrict the operations of foreign workers in Switzerland and the strength of the Swiss Franc have made companies worry about whether it is worth staying.

CONSUMER PRICE INDEX (September 1966=100)

Year average	Switzerland	Geneva
1979	176.1	178.0
1980	183.1	184.8
1981	195.0	194.6
1982 (June)	206.5	204.2

PUBLIC FINANCE (SwFr m)

	Expenditure	Receipts	Debt
1979	1,982.1	1,847.9	134.2
1980	2,035.2	1,943.1	92.1
1981	2,186.3	2,122.5	63.8

Source: Annuaire Statisque du Canton de Geneve, 1982.

But Union Carbide, as a symbol of loyalty, is moving into a new building by the end of the year. Nearly all companies like Geneva's central geographical location in Europe and its good communications with other countries.

Inflation in Switzerland at the end of January was running at 5 per cent compared with the same month in 1981. Switzerland has much appreciated economic stability—"no boom times, no bust times," to quote Mr P. F. Hilton, Union Carbide's European chairman—and a good security record.

Communications

If there are reservations, they were expressed by M Jean-Claude Peter-schmitt, president of Digital Equipment Corporation International (Europe) who was concerned that Switzerland might be slipping behind in developing the highly-sophisticated international communications systems the multi-national companies increasingly require.

These developments emphasise the point that M. A. Scherer, a Director of OPI, makes by saying: "Geneva is tha place where decisions are made, finances calculated, and plans made." This leaves his organisation and that of the Fondation des TerrainsIndustriels Praille et Acacias (FIPA) which deals with the industrial zones, with the uphill task of stimulating the skills which undoubtedly exist for sophisticated middle and light industry and translating them into the limited zones permitted for industrial development.

Here, as the permanent exhibition at OPI shows, the emphasis is on high precision, small-scale machinery.

Its financial sector has been developing to the extent of being second now only to that of Zurich. On the banking scene the best known by reputation are the private banks of which there are nine in the Canton. They remain highly secretive about their clients and their business of portfolio management.

But these banks do admit that more money than ever before is coming in from the Middle East, partially because their clients prefer to speak French and partially because of preferences for Geneva over Zurich for its environment.

The private banks are resisting strongly political pressure from the left for a greater disclosure of their activities, which stretch across the world into the U.S. and latterly more into the Far East. The major Zurich-based banks have their branches in Geneva; the cantonal banks deal mainly with mortgages and savings.

Business on the Geneva stock market was up by 14 per cent in 1982, according to M Kurt Schneuwly, the stock exchange manager. Actual figures are hard to come by because Geneva, unlike other stock markets in Switzerland, gives only "bargain" not turnover figures. But it is believed to be equal to or higher than that of Basel, which last year had nearly 90,000 transactions and a turnover of SwFr 37.7bn.

Geneva's Chamber of Commerce and Industry has in addition to its usual run of functions, special responsibilities for economic relations with France.

There is, in the end, no denying Geneva's wealth. Its per capita income lies in the range of those statistical freaks generated by countries with small populations in the Middle East and huge oil and gas resources. Geneva could hardly be a more striking contrast.

Worthy but sluggish democracy fails to match Geneva's international standing

Apathy on local political issues

A FEW Sundays ago Geneva's voters, like the rest of the country, voted on a two-tier referendum — an exercise they have to perform several times a year.

The issues were, in their way, fundamental. One issue was to grant the federal government power to direct overall energy policy, and the other to raise fuel taxes. Countrywide, the first was thrown out and the second accepted.

The contribution to this political exercise of the canton of Geneva was singular. It went against the overall votes on both issues but also managed a turnout — described by Journal de Geneve quite rightly as "derisory" — which was the lowest in the country: 19.3 per cent against a national average of 31.8 per cent for both.

Typical

The national average is typical of that of the last decade or so, and only the famed Schwarzenbach referenda in 1970 and 1974 which would bave drastically affected the status of foreigners in the country brought turnouts in the seventies.

The reaction of the Geneva electorate reflects the observation of one industrialist (who himself abstained) that "the more democracy there is, the less voting occurs." For only 50,000 signatures are required to obtain a referendum, and often voters are required to vote on issues of considerable complexity.

Some voters, particularly among the young, do not respond because they feel that their views will do little to change what they see as a basically immutable conservative set-up. The consequence, in terms of turnout, is marked apathy.

Although, in broad terms, the Left and the Right fight more fiercely in Geneva than in other cantons, the main characteristic is politics — by general European standards — carried out in a less lively way than might have been expected of a region and city of such international standing.

The Grand Council, which has 100 members, has reinforced this general trend towards stability. At the last election in October 1981 (for four years), the Socialists won 26 seats, the Liberals 25, their close supporters the Radicals 19, the Christian Democrats 13, the Workers' Party (Communist) 10, and Vigilance—a more recent phenomenon originally against too much foreign domination—7 seats.

The Chamber of Commerce and Industry of Geneva commented: "Participation in the ballot was unfortunately weak, the number of abstentions reached a record for an election such as that. The results showed a reinforcement in the majority of the Right and the Centre Right, a strong Liberal thrust and a marked weakening of the Workers' Party."

This is probably an overstatement, for the changes involved, at best, a handful of seats. "More than that" commented a senior cantonal official, "would almost be a revolution."

Like the Swiss confedaration as a whole, the Canton of Geneva has at its governmental top a seven-member Council of State whose members take it in turn to be president for one year. This year's incumbent, M. Pierre Wellhauser, defined his role as representing the canton, not just to foreign countries and other cantons but also of "putting into action a programme, which we (the council) had accepted together." The council too embodies the confederal and cantonal search for a balance, for the four main parties are represented on it. However, in 1980 a member of the Workers' Party was co-opted to be its leader even though he had not been elected to the State Council.

Interplay

Government of the canton is thus the result of interplay between formal and informal circles of influence and democratic say. The canton itself is responsible for its own budget and, to varying degrees, social services ranging from education and health to the police. In their development, the parties of the Left have played an important role. The canton is also responsible for the appointments in the armed forces up to the rank of captain. But, in general terms, it does not intervene directly in the activities of business and industry beyond issuing work and residence permits and the longer term planning of the size of Geneva and the sectoral balance of its economy.

It is not just the parties and their historical traditions and ideologies which are to some extent nobbled by Switzerland's direct democracy. For they can be by-passed not only by referenda, which are incidentally extremely costly to run, but also by the communes, the smallest self-governing unit in each region and one which ultimately provides an individual with his citizenship. At a more rarified level, the established circles of some businesses and old families have their own near-invisible means of bringing pressure to bear on decisions.

The overall result of this is that people, when they vote, tend to do so more out of personal expediency than as a result of government or party persuasion. The effect, often, is to delay major cantonal projects for many years.

Nevertheless, there have not been youth disturbances of the sort that struck Zurich and other cities a few years ago. M Wellhauser concedes that there have been the occasional minor strikes and problems with squatters. Graffiti about the housing problem (and occasionally about military service) bear witness to this. M Wellhauser observes that the other cantons "are more rigorous in their social behaviour but we are more tolerant. It is part of history."

The issue of the large number of foreigners living and working in the city as members of international or multi-national organisations has been largely defused but if there is a potentially explosive issue it is housing. M Wellhauser reckons it is not the availability of houses which causes the problem (although unoccupied housing in Geneva itself has fallen fourteenfold since 1976) but, at SwFr 550 a cubic metre, the cost of building. Measures are being taken to make money available for cheaper purchases.

Ironically for Calvin's city it is a point of political discussion for the elite whether to permit Geneva, which has a Catholic majority, to become the seat of a bishopric. Unemployment even though it is below 1 per cent is a more immediate issue.

But in contrast to Geneva's bustling image as an international city, its domestic politics remain slow-moving and as a result of referenda, sometimes involved in the minutiae of life. The question frequently provoked is whether this heavy ration of democracy is inducing torpor rather than vigour.

Anthony McDermott

مكتب اصد الأصل

GENEVA III

The international organisations in Geneva and the townspeople who co-exist with them need each other more than they admit.

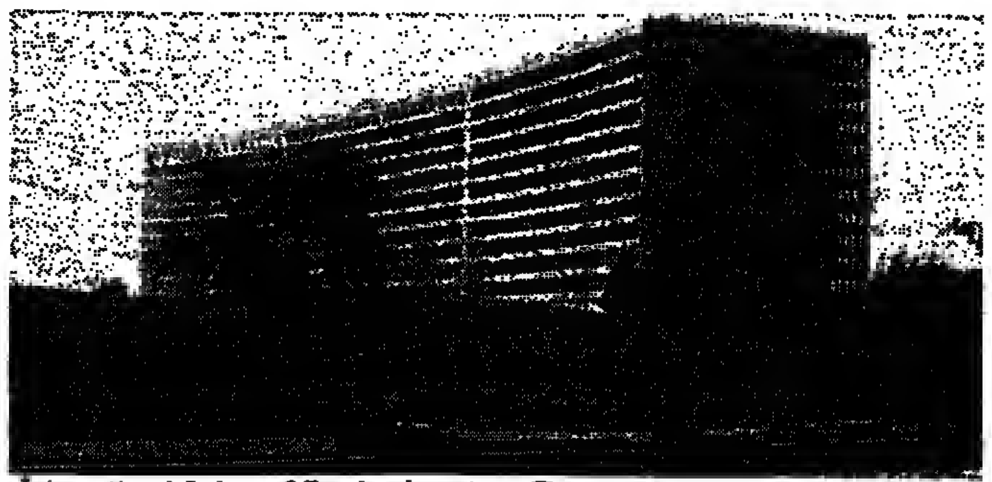
Stronghold of bureaucracy

AN UNEASY TRUCE governs relations between the stolid burghers of Geneva and the city's itinerant international population, a group rendered aggressive by constant transfers of residence and by inability often to speak understandable French.

In fact, there are only about 10,000 foreigners working in Geneva's 37 international organisations but to many Genevese they are the most blatant exploiters of their pleasant city's amenities because they pay no local taxes and often sport "CD" plates on their carelessly parked cars.

The foreigners complain that the Genevese are dour money-grabbers epitomised by the estate agents who quietly double rents when letting to UN staff. Yet, when Kurt Waldheim, the former United Nations Secretary-General, tried to move the Geneva-based organisation to Vienna in the late 1970s, both the city fathers and the civil servants protested loudly enough to scuttle those plans—which would have saved the UN system a fortune in running costs.

The truth is that the civil servants treasure this city but most think that gruff exteriors are a must to remain one rung above the other 100,000 foreigners in a small total population.



International Labour Office headquarters. The organisation is concentrating on unemployment problems in both the industrialised and developing countries

Delegates

Geneva is a stronghold par excellence of international bureaucracy. Though the numbers living in the city are small, at least 30,000 delegates visit its conference halls yearly to attend more than 6,000 meetings—the most by far of any city in the world.

The 37 inter-governmental and non-governmental organisations based in Geneva spend almost as much money in the local economy as the cantonal government's SwFr 2.2bn annual budget.

The visiting delegations, which often include Ministers and other high level officials on expense accounts, help to keep the hotel and restaurant industries in better health than anywhere else in Switzerland. In addition, 116 countries maintain permanent missions in Geneva to the United Nations office in Europe and its various specialised bodies such as the World Health Organisation (WHO), International Labour Organisation (ILO), World Meteorological Organisation (WMO), International Telecommunications Union (ITU), World Intellectual Property Organisation (WIPO), the General Agreement on Tariffs and Trade (Gatt) and the United Nations Conference on Trade and Development (Unctad).

In turn, Geneva treats the UN handsomely. The main offices are in a building bigger than the Versailles Palace and located in the 25-hectare Ariana Park with a commanding view of the Alps and Mont Blanc.

The main UN building, the Palais des Nations—surrounded by magnificent trees which include 100-year-old cedars and cypresses—was built between 1929 and 1936 to house the since defunct League of Nations. It was extended in 1973 to reflect Geneva's growing importance as a conference centre for a UN which had swelled to 157 nations in 1982 from the 51 original signatories to the founding charter at San Francisco in 1945.

The Spanish artist Jose Maria Sert made frescoes expressing the futility of war which adorn the palace's main halls, to the distaste of many non-Europeans who find them visually uninspiring.

John D. Rockefeller donated the money needed to start the UN library which now has 700,000 volumes on international affairs, and many countries donated monuments, decorative items and furnishing fabrics. The marble came from Italy, France and Sweden while the limestone came from the nearby Rhone Valley and the Jura Mountains.

Thus, even the building reflects the diverse nature of the peoples that crowd its conference halls and meet in its corridors.

Diverse

The diversity of the work of international organisations in Geneva is bewildering. They deal with everything from the conquest of outer space to teaching survival skills to Stone Age tribesmen in Indonesia.

UN officials are welcomed around the world as bringers of expertise or money, yet the worth of what they actually do is far from proven. The UN has a $30m budget for propaganda and public information, far more than that of any transnational corporation—not counting the separate multi-million dollar information budgets of some of the main UN specialised agencies.

Here is what some of the organisations based in Geneva do:

World Health Organisation (WHO)—Founded in 1948, the WHO is trying to deliver "health for all by the year 2000." It has a very creditable record of saving lives in both developing and developed countries, but has recently run foul of the powerful tobacco, food processing and pharmaceutical industries because of pressure from consumer groups to create international codes of behaviour to control hard-sell marketing policies, especially in the Third World.

It is currently investigating the feasibility of anti-alcoholism campaigns to add to those against smoking. Its main focus remains on finding ways to help poor governments to provide cheap medicines and health care for all.

International Labour Organisation (ILO) — The ILO founded in 1919, became a UN agency in 1966. It ran into trouble in 1977 when the United States, which pays 25 per cent of its bills, withdrew from it in protest against what it saw as more discussion of politics than technical help for countries trying to improve their labour force's skills and living conditions.

The U.S. returned in 1980 when the ILO mended its ways a little by condemning lack of trade union freedoms in the Soviet Union and Eastern European countries which are also ILO members. It has since investigated labour rights violations in Poland and is focussing on unemployment problems in both industrialised and developing countries.

One of ILO's main jobs is to oversee the application of international standards promoting workers' freedom to form trade unions. It also runs an agreement governing working conditions for labour employed by transnational companies.

World Meteorological Organisation (WMO)—This lesser-known organisation is one of the most important because it co-ordinates work around the world evaluating weather conditions, climate trends, atmospheric conditions and the use of weather satellites. The information it gathers is vital for world communications, shipping, agriculture and conservation of water resources.

International Telecommunications Union (ITU)—Founded in 1865, the ITU became a U.N. agency in 1947. Its main job is to set frequency ranges which countries may use for radio and telecommunications purposes.

In spite of its technical nature the ITU is involved in increasing controversy. With the rise of high-speed technology and more competent use of both military and civil satellites, a scramble has occurred for the earth's communications spaces arousing fears that the Western nations will take advantage of their technological prowess to carve up the frequency bands, leaving little left over for the Third World to use in the future.

Speedy communications is seen by many as a means of dominating information dispersal around the world, thus weakening local cultures by diluting them more easily with undesirable foreign influences.

Another problem is maintaining the privacy of satellite communications which may be captured by unauthorised receiving stations on earth. The International Telecommunications Convention, the main treaty overseen by the ITU, was revised last year and has been signed by 157 countries. It underlines the kind of international co-operation which allows the Olympic Games to be beamed to television sets in millions of homes around the world.

BY A SPECIAL CORRESPONDENT

The chiefs of GATT and UNCTAD, profiled here, are both tough negotiators who refuse to bow to pressure from governments

Leading the way forward in trade

Gamani Corea (left) and Arthur Dunkel. Though their two organisations are moving on divergent paths, each is concerned with easing world poverty by promoting co-operation.

MR GAMANI COREA of Sri Lanka and Mr Arthur Dunkel of Switzerland are the men whose jobs in Geneva have the biggest potential impact on international business and trans-national companies.

Mr Corea, 58, has been chief of the controversial United Nations Conference on Trade and Development (UNCTAD) since 1973 and Mr Dunkel, 58, took over as chief of the beleagured General Agreement on Tariffs and Trade (GATT) from compatriot Olivier Long in 1980.

Both are hard-nosed negotiators whose stubborn views have won more criticism than praise in recent years for they refuse to bow to pressure from governments when it means compromising their ideals. Yet each is so different from the other in style and personality that even their organisations are moving along divergent paths. Both, however, are concerned about the same problems—easing world poverty by promoting trade and economic co-operation among nations.

UNCTAD's job, as its name suggests, is to show how trade exchanges can be used to promote Third World economic development. Its sixth three-yearly conference among 154 member countries will take place in Belgrade in June, to chart the themes and course of co-operation among rich and poor countries for the next few years.

GATT is a contract first concluded by 23 countries in 1948 to cut import tariffs and steadily promote world-wide free trade. It now has 88 members and its provisions have been enlarged and reinterpreted so much that even international trade law experts no longer know what contractual obligations it imposes.

At a historic once-in-a-decade ministerial conference in Geneva last November, its members finally admitted that GATT is less than a contract by pledging only to "make determined efforts" to obey its provisions. GATT has been severely jolted in recent years by waves of protectionist measures hampering free trade to save weaker industries and farmers in its leading members—the U.S., the European community and Japan—from competition by foreign products.

Ideals

The men at the helms of UNCTAD and GATT continue doggedly to propagate the ideals of their organisations but neither is able to mask the strain of frustration at the beggar-thy-neighbour views of most governments.

Mr Corea and Mr Dunkel are chiefs of secretariats who can execute no more than the orders given by their member governments, in the form of resolutions of decisions approved at periodic plenary assemblies. Both believe that those orders are not enlightened enough and both seem to be at their wits' end about how to shake governments out of their short-sightedness.

Aggravating matters is o poorly-disguised rivalry between their two organisations. Mr Dunkel emphasises GATT as the "rule of law in international trade" which operates in a business-like manner rather than as platform for government rhetoric. Many of his staff have abiding contempt for UNCTAD which is seen as a muddle-headed collection of theorists.

Mr Corea believes that UNCTAD is one of the only remaining international fora in which the world's poor can seriously negotiate with the rich on such vital matters as creating domestic economic structures in developing countries strong enough to reduce poverty and sustain global prosperity. Most developing countries see UNCTAD as their think-tank and spokesman, which greatly irritates Western nations which insist that UNCTAD must re main even-handed since more of its bills are paid by them than by developing countries.

The U.S. and the EEC see GATT as a cornerstone of international trade which deserves maximum support. But UNCTAD is perceived as being more enthusiastic than competent.

Discrimination

Mr Dunkel, an energetic administrator who eats at the same table with junior staff in GATT's canteen, has made his main priorities the unravelling of protectionist trends and enhancing GATT's role as a settler of disputes. He wants to equip GATT to handle the future by grasping such nettles as subsidised agricultural exports, discrimination against Third World products and disregard for GATT disciplines when obeying them hurts.

Mr Corea, a more mellow intellectual and diplomat, likes to bear all sides before taking decisions. But he is unshakeably convinced that alleviating world poverty is a responsbility of all nations who must agree to give a better deal to developing countries. This alone, can guarantee further prosperity for the world as a whole.

His organisation seeks in Belgrade that Western nations should agree to plans for raising Third World earnings from commodity exports by stabilising falling prices. They should also arrange to make about $70bn in extra funds available to developing countries in the next three years to pay for modernisation needed to prevent poor countries from becoming still worse off.

UNCTAD also wants stricter controls over the business and transfer of technology practices of large international companies. All of these are high ideals which will take tough bargaining to make progress.

BY A SPECIAL CORRESPONDENT

GENEVA IV

The city is an important centre for scientific research. **David Fishlock**, Science Editor, looks at the latest work in biotechnology and nuclear physics.

Expertise aimed at health care products

GENEVA has won international acclaim as a centre of biotechnology research and development. The Battelle Memorial Institute came to Geneva in 1953 to open the first of its research centres outside the U.S.

Whereas Battelle's reputation had been built on the physical sciences, Battelle - Geneva specialised in the bio-sciences, where a need for its skills as a contract research organisation was perceived in Europe among chemical, pharmaceutical and food companies. In the late 1960s, Battelle-Geneva helped to serve as a model for the reorganisation of Harwell in Britain.

Under its present director, Dr Valentin Stingelin, the Geneva Research Centres of Battelle have built up a European centre of excellence for sponsored research in the life sciences. It had an income of about SwFr 44m last year. Its specialities include toxicological test services, research on new drug delivery systems, more basic studies in biochemical pharmacology, and the development of biotechnologies.

In biotechnology, Battelle has developed its own expertise in immobilised enzymes as biocatalysts, in infinity precipitation for the separation and purification of biological material, and in fermentation and cell culture technologies.

At the end of 1979, a new company specialising in biotechnology arrived in Geneva, and rented laboratory space from Battelle. Biogen SA was one of the first serious attempts to repeat outside the U.S. the success of a handful of new American high-technology ventures founded by scientists working at the frontiers of molecular biology. Such companies were soliciting research contracts in "genetic engineering," the modification of the genetic materials of living organisms and their subsequent culture by fermentation to produce novel biological products.

Biogen was built around a scientific board of internationally recognised scientists, headed by Dr Walter Gilbert, whose idea it was, and who shared the 1980 Nobel Prize for Medicine for his research on cancer. Dr Gilbert has since resigned his chair at Harvard to become Biogen's full-time chairman and chief executive. But he and his board maintain close links with academia, seen as essential for continuing growth in a highly-competitive field.

BIOGEN'S BACKERS

	% outstanding shares
Schering Corp. (U.S.)	12.6
Intnl. Nickel (Canada)	20
Monsanto Co. (U.S.)	12.5
Grand Metrop. (UK)	5.3
Directors and officers of Biogen (22)	18.9
	69.3

Biogen's backers included industrial corporations representing the main target areas of its research programme: Schering Plough (health-care); Monsanto (chemicals and plastics); Inco (mineral extraction); Grand Metropolitan (beverages and dairy products); and, most recently, Stone and Webster (biotechnology process engineering).

In Geneva, it has converted a former watch factory to laboratories and offices and it is building a new laboratory in Cambridge in the U.S. Facilities in Geneva include a small pilot plant. The Swiss operation, now headed by Dr Julian Davies—a British scientist and Biogen SA's former research director—has grown to a staff of more than 150, of a corporate total of 250.

Biogen has grown rapidly into an international company with a strong European emphasis—"far more powerful than anything anyone would have done in any individual country," Dr Gilbert believes. From a single employee in January 1980, he is planning for a team of 500-600 by mid-decade. Dr Gilbert's own importance to the company can be gauged from the fact that it has taken out a "key-man" life insurance policy on its chairman worth $5m.

Biogen's research is aimed primarily at pharmaceutical and health-care products. They include human leucocyte and fibroblast interferons, which (through Schering) have begun clinical trials for such diseases as cancers and viral infections; ranging from warts and colds to herpes. They also include a number of hormones and other human proteins, such as insulin (in collaboration with Novo Industri) and the blood-clotting agent Factor VIII (with Kabi Vitrum).

The company's research expenditure has doubled each year since it began operations, from $3.5m in 1980, to $8.9m in 1981, and $18.4m last year. Schering has been its biggest sponsor, providing 85 per cent of its research revenue in 1980 and 68 and 44 per cent in the subsequent two years. Last year it was joined by Shionogi and Company in Japan, which provided 37 per cent of its research revenues for 1982, for work on interferon.

Dr Julian Davies (left) and Dr Walter Gilbert of Biogen. Since its start in 1980, Biogen has grown into an international company with a strong European emphasis

Biogen has filed about 300 patent applications for products and processes, and has received about 20 patents so far. But none of these patents has been tested in litigation. It was beaten, however, in the race to be the first to report expression of biologically active immune interferon.

Biogen is entering a very expensive phase of development of its discoveries and inventions. Last year it made a net loss of $4.49m. It admits that it does not expect to operate at a profit for several years, while it is expanding both its manufacturing and marketing capabilities and its clinical testing of genetically engineered products.

The company is seeking to raise revenue from the sale of 2.5m shares, with the expectation of spending half of this revenue on clinical testing of interferon, vaccines and Factor VIII.

BASIC FORCES OF NATURE

Type	Intensity of forces (decreasing order)	Binding particle (field quantum)	Occurs in:
Strong nuclear force	1	Gluons (no mass)	Atomic nucleus
Electro-magnetic force	$\frac{1}{1,000}$	Photon (no mass)	Atom shell (electro-technology)
Weak nuclear force	$\frac{1}{100,000}$	Bosons Z°, W+, W− (heavy)	Radioactive beta-disintegration
Gravitation	10^{-38}	Graviton?	Heavenly bodies

Source: CERN

CERN: biggest atom smasher

CERN—the Conseil Européan pour la Recherche Nucleaire—is an international scientific club based on the outskirts of Geneva but drawing its intellectual energy from an academic grid that extends worldwide. It has built and is experimenting successfully with one of the world's biggest machines; and is building another so big that it will stretch from its campus at Meyrin for several miles into neighbouring France.

CERN is probably the most successful international scientific club of all time. It has designed and built three giant experimental tools for "atom-smashing," each of them extending the boundaries of engineering experience yet each one adhering to a remarkable degree to forecasts of performance and cost. It has attracted some of the world's greatest scientists and engineers as directors.

One of these, Professor Edoardo Amaldi, in a foreword to a book† on its current big machine, says CERN's success is no accident or due solely to the fact that it was created to do pure science. "It is due also to the structure of the organisation, which encourages the commitment of everyone to the pursuit of a common goal but has room for understanding when an individual partner has special problems. In CERN we have a model in Europe from which all countries can learn."

This model made headlines in the world's Press in January when it claimed to have sighted what, just now, is the most eagerly sought of the "zoo" of subatomic particles. With characteristic caution the research centre itself voiced the claim with the phrase that its most powerful atom-smasher had staged a collision which "begins to reveal the expected signature."

Elusive

This highly elusive particle is the W intermediate vector boson or "weakon." Confirmation that the weakon exists would validate current theories about the four basic forces of nature, unifying the descriptions of two of them, namely electromagnetism and the weak nuclear force. The weak nuclear force lies at the heart of radioactivity and the control of solar energy (see accompanying table).

CERN has been seeking the weakon with a unique atom-smasher 2.2 kilometres in diameter, called the super proton synchrotron (SPS). Not least of the problems of the researchers is that their quarry is calculated to have a life of its own lasting only about 10-20 seconds.

They arranged the SPS in such a way that head-on collisions can be staged between counter-rotating beams of protons and anti-protons. The kinetic energy of these collisions is a collosal 540 GeV—theoretically sufficient to create a heavy particle, such as the weakon is predicted to be.

CERN organised two experimental teams, totalling 180 scientists drawn from eight European nations plus the US, for the hunt. Each team worked at one of the two collision points 35 metres below ground in the SPS. Here, in rock caverns they call "cathedrals," each assembled its own detector designed to freeze the track of any weakon created in the collision.

Team UA-1, comprising 126 scientists drawn from 13 laboratories—including two in nations not members of CERN—erected a 2,000-tonne detector. Team UA-2, of 51 physicists from six European laboratories, assembled a smaller and simpler 200-tonne detector, mounted on air cushions for greater versatility. Both detectors were seeking a signature consisting of readily identified decay products of the short-lived weakon, emitted at a large angle to the axis of the collision.

Signature

The experiments lasted for the last quarter of 1982. They involved 1bn collisions, from which team UA-1 singled out five events indicative of the characteristic signature of the weakon and team UA-2 just four events. The first team also estimated a mass for the weakon of about 80 GeV—which agrees very closely with theoretical predictions.

CERN's successful quest has given another enormous boost to the prestige of this scientific club. The chagrin of rival teams was reflected in the headline of the International Herald Tribune: "Experts say W-particle discovery is sign of U.S. decline in physics." But for CERN itself, the quest is far from finished. They are planning an experiment starting next month that they hope will generate 10 times as many wrakons.

CERN itself is a research centre employing about 3,500 headed by Dr Herwig Schopper, its director-general. It also has about 2,000 fellows and scientific associates at Meyrin at any given time. Its big machines provide research material for some 2,300 scientists based in other high - energy physics laboratories, mostly in universities and national laboratories in CERN's 12 member-states.

CERN's dominant development project is the large electron-positron ring (LEP), a truly leviathan concept, involving a machine 27 km in circumference, in a tunnel excavated mostly beneath French countryside. Six proposals for experiments in LEP are currently being considered. One is ALEPH, a general-purpose detector proposed by a consortium of 18 European and one American research centres. Another, OPAL—omni-purpose apparatus for LEP — brings together Europe, Canada, the U.S. and Japan. A third proposal unites Europe, the U.S. and China. Geneva today is the cynosure of attention in every high - energy physics laboratory in the world. As the Pope told CERN's staff on a visit last summer: "One of science's greatest merits can be seen here in action—its power to unite men."

† *Europe's Great Accelerator. By Maurice Goldsmith and Edwin Shaw. Taylor and Francis, 1977. £13.*

Perfume industry expects steady growth

Givandan's chief perfumer evaluates a fragrance. The elite group of perfumers and flavourists take up te ten years to reach the top

THE "PARFUMERIES" of Geneva have long played an important role in the city's industrial economy. Together with their subsidiaries and affiliates elsewhere in Switzerland and abroad, they account today for an estimated 13 per cent of a $4.4bn-plus world market for flavours and fragrances.

What might appear at first glance to ba a rather exotic business is in fact a high-technology industry with high-power marketing techniques—and one looking forward to a probable annual market growth of 5-6 per cent in the 1980s.

The actual perfume application of the Geneva companies' products is relatively small. Of current world production, which most recent estimates put at about $2.75bn a year (for 1980), only something like 15 per cent goes to scent manufacture as such. About a further 50 per cent is used in cosmetics, deodorants and other toiletries, the remaining 35 per cent going to perfume detergents, soap and other household goods.

World production of flavours had an annual value of some $1.65bn at the latest count, of which between 30 and 35 per cent went to confectionery, jams, petfoods and other manufactured non-dairy foods, about the same share to beverages and alcoholic drinks and something more than 20 per cent to dairy products. The remainder is split into sales such as those to makers of pharmaceuticals, vitamins and tobacco casings.

Th two leading Geneva companies, Givaudan and Firmenich, both belong to the top five in the league of international manufacturers of flavours and fragrances. Both started operations at almost exactly the same time in Geneva. The French brothers Xavier and Léon Givaudan moved down from Zurich in 1895, after a neighbouring baker had had them evicted from their first small factory there because his bread smelt of violets.

The original Firmenich firm was formed, also in 1897, under the name of Chuit et Naef—brother-in-law Fred Firmenich joined in 1900—and by 1903 had started prodnction of the first gamma-methyl-ionone.

Over the years both companies have become major forces in their field. Givaudan was the basis for the present Perfumes and Flavourings Division of the Basle-based Hoffmann-La Roche group, which acquired it in 1963. (The small Geneva firm Créations Aromatiques is run by a latter-day Leon Givaudan.)

The Roche division suffered a slight setback last year owing to poor market conditions in the U.S., but still showed annual sales of SwFr 743m ($370m). Firmenich is still a family-owned company—and intends to stay one, according to Pierre-Yves Firmenich. As such, it does not publish turnover figures, Mr Firmenich says sales are well above the SwFr 270m quoted in a recent "guesstimate" of the Swiss Press.

Active

Although the two companies are active all over the world, they have remained true to Geneva. Of Givaudan's 3,200 employees, some 850 are still based in the canton and a further 800 in Dübendorf, near Zurich, the remainder being spread over 20 foreign operations. The perfumery division and the headquarters administration are in Vernier, the food flavouring division in Dübendorf.

Firmenich makes both flavours and fragrances in its Geneva plants—in a ratio of about one-third flavours to two-thirds fragrances—and is in the process of spending SwFr 50m on a new manufacturing unit at La Plaine in the same canton to turn out speciality chemicals developed in its own laboratories.

Research and development are extremely important in the industry, with its basis of "*tailor-made*" *products* and complicated syntheses. Givaudan reckons to spend 9 to 10 per cent of turnover on R and D, which account for 6 to 7 per cent of fixed-asset investments and 700 employees. Firmenich, whose research work takes place only in Geneva, spends some 15 per cent on basic and applied R and D, working in association with a number of universities and in part with analysis systems of its own design.

The approach of the industry to its customers is dictated by the need to offer a full-service consulting system; the companies tend to think of "accounts" in the advertising sense. Givaudan, which calls itself "marketing-driven," goes so far in Vernier as to offer the services of an in-house hairdresser's salon (to test shampoos), a super-laundrette with washing and drying equipment from various countries (to test detergents) and complete international "library" of perfumed products ranging from household items to expensive scents.

Nor are the employees industrial workers in the classical sense. This goes particularly for the élite group of perfumers and flavourists, who are expected to combine broad chemical knowledge with the nose or taste-buds of a connoisseur. Both companies place great importance on the artistic abilities of their "designer" staff, without which the high-technology apparatus would be worthless.

The Geneva chemical industry is not given over wholly to the flavours and fragrances sector. A number of smaller producers—the targest among them being the Roche-owned Laboratoires Sauter—are active in the pharmaceutical sector, for example. A special case is that of the regional-office activities of chemical-industry multinationals.

Geneva is the home of Du Pont de Nemours International, with 1,150 staff one of the canton's biggest single employers and responsible for group business in Europe, the Middle East and Africa, as well as the 302-employee Union Carbide Europe and the operations of Stauffer Chemical Europe and Dow Chemical Mideast Africa with a total of about 180 employees.

The reasons for Geneva's popularity with multis are given by Du Poot as its central location, its excellent banking and communications facilities, its international airport and Switzerland's favourable economic and political situation. Also: "Geneva's international atmospere makes it easier for those 'Du Ponters' who are transferred from other European subsidiaries to settle down without too much disruption of family life."

Particularly interesting is the case of Dow in Geneva. The American group bas long run its regional headquarters operation Dow Chemical Europe from Switzerland—though at a location near Zurich. In 1977 it was decided to set up a special company to look after the group's Middle Eastern and African markets.

The company says that apart from the excellent air links to the area from Geneva, "many of our customers and distributors from the Middle East and Africa feel more comfortable in French-speaking Geneva than in the German-speaking part of the country whera our European headquarters are."

John Wicks

Geneva's traditional craft is still an important force at the very top end of the market

Exclusive watchmakers set the standard

MOST NEWS from the Swiss watch industry these days is had news. A combination of tough market conditions and a technological revolution has brought many watchmakers—including some of the biggest—into dire straits.

Despite aid from the hanks and the Government, more than one employee in every five is working short time or actually jobless. Traditional "watch towns" such as Bienne, La Chaux-de-Fonds or Grenehen are among those most badly hit by recession.

Less apparent is the continuing success story of the Geneva watch manufacturers. With their relatively small output, the exclusive firms based in the city account for only a fraction of production volume and are often overlooked in depressing reports on the plight of the industry at large. In value terms, however, the Geneva companies play an important rola in the world market—albeit at the very top of the market.

The city has been a name in quality watchmaking for centuries. The local industry goes back to the very beginning of watch and clock production, its goldsmiths having turned to making watch cases as an early "diversification."

Just before the French Revolution, between 4,500 and 5,000 of the city's 26,000 inhabitants were in the business, apart from a further 20,000 supplying parts from neighbouring areas of Savoy and the Jura.

Dials

Today, Geneva's watchmakera are only a small group of the labour force about 3,630 at the last count, of whom almost half were engaged in turning out eases, dials and other parts. This figure bears no comparison with the companies' sales, however, which seems to be running at well over SWFr 1bn ($500m) a year.

Biggest of the Geneva firms is Montres Rolex, with consolidated sales, ex-Switzerland, in the region of $250-300m annually. Rolex is generally considered as something of a phenomenon in the watch industry; the famous "Oyster," developed in 1926 as the world's first completely waterpoof and dustproof watch, today still accounts for over three-quarters of total outpnt.

The "Oyster" has come a long way in the past half century, though. Over tha years the programme has been expanded to include such Rolex innovations as the first-ever self-winding rotor mechanism, the first wrist-chronometer date and day displays, the first skin-diver wristwatch — a recent "Oyster" model is guaranteed waterproof to depths of 4,000 ft — and the first commercial quartz wristwatch.

Quality

A total of more than 4m Rolex watches have been certified as "Swiss chronometers," a title awarded to timepieces only after gruelling quality testing: indeed, about 80 per cent of all Swiss chronometers are made today by Rolex.

Apart from tha dominant "Oyster" range, the company also produces a special collection of jewellery watches under the name "Cellini." It also offers a cheaper line under the "Tudor" brand at prices of less than $500, though these account for only a small fraction of total output. In comparison, most Rolex watches are in tha $1,000-$6,000 bracket or between $1,500 and $10,000 for most "Cellini" models, though jewellery watches can easily run into the $50,000-$100,000 range.

More expensive still are the gold watches made by Piaget, based in Geneva and its original home of La Côte-aux-Fées in Canton Neuchâtel. Most of them sell at between $2,000 and $20,000.

Pieces with a high jewellery content are frequently priced in the hundreds of thousands, while one single prestige platinum-and-diamonds model is valued at $2m. However, Piaget also has a "Tudor" approach in that it controls and shares its Geneva premises with Baume and Mercier, which offers products in the lower range of the top-quality sector.

The dial of this Rolex watch is set with 152 diamonds, an example of Swiss enterprise at the expensive end of the market. Pieces with a high jewellery content frequently cost hundreds of thousands of dollars

The third of Geneva's Big Three, Patek Philippe, bas been longest in the city. In 1839 it was formed by the Polish exile Count Antoine de Patek and the French watchmaker Adrien Philippe. Its first technological innovations followed almost immediately with the first keyless watch in 1841, the first model with an independent second hand in 1846 and the first free mainspring two years later.

In 1868 the company set a milestone when it designed the ancestor of all Swiss wristwatches for the eccentric Countess Kocevicz, who decided to break with the practice of wearing her watch on a necklace or at her belt. A hundred years later Patek Philippe was one of the pioneers of electronic applications, inventing the photoelectric, the solidstate and the miniaturised quartz clock, as well as new systems of master-clock centralised time-keeping.

While other sectors of the Swiss watch industry are passing through difficult times—latest figures point to an 1982 drop in total production of well over 30 per cent—the luxury trade remains largely untouched by recession. The three leading concerns, together with smaller Geneva companies such as Vacheron Constantin and the pendant-watch specialist Uhlmann et Cie., benefit from a remarkably stable market and virtually no major competition from other producer countries.

The real setbacks have been suffered in the field of lower and medium-priced mechanical watches, while the generally dearer electronic models and top mechanical pieces have done more than just hold their ground. This trend towards the upper price groups is borne out by figures recently published in Bienne by the Swiss Watch Industry Federation which show a 31 per cent decline in export volume for last year but a fall in the value of exported watches and movements of only 10.4 per cent (to $1.75bn).

Indications for the current year are cautiously optimistic on the part of the Geneva watchmakers. The domestic market plays a minor role in the top-quality sector, though when tourist purchases are included this share is probably of around a noticeable 10 per cent. Otherwise, sales are spread throughout the world.

Among the most important markets are the United States and (ironically enough in view of its role as a major competitor in other sectors of the industry) Japan, in both of which countries the specific demand seems to be developing well.

Actual production volumes of the Geneva groups are relatively small. Rolex, the biggest single Swiss brand, has an annual production of some 450,000 units, Piaget plus Baume and Mercier make about 80,000 to 90,000 and Patek Philippe about 13,000. This, of course, is no indication as to their relative importance: Rolex alone accounts for a good 20 per cent of all Swiss watch exports.

Privately-owned

There are no signs of the companies' wanting to carry out any large-scale expansion. The groups are privately owned, self-financing and firm believers in quality rather than quantity. The Geneva industry works almost entirely with its own components and solely with Swiss material; affiliated plants are in Switzerland itself and not abroad.

All the producers place an inordinate value on individual craftsmanship—a Patek Philippe watch takes nine months to make, or up to five years in the case of some more complicated models.

The stress is equally on costly materials. Although some stainless steel is used—in certain Rolex and Baume & Mercier models, for example—Geneva watches are to a large extent gold watches. What could total 5 tonnes of gold are used annually there, making the Geneva watch companies by far the biggest single industrial customers in Switzerland. There is also a very substantial use of diamonds, rubies, emeralds, sapphire and other precious stones.

Patek Philippe has also kept up the tradition of so-called "Geneva enamelling" and still accepts orders for enamel pocket watches with a miniature of the client's choice.

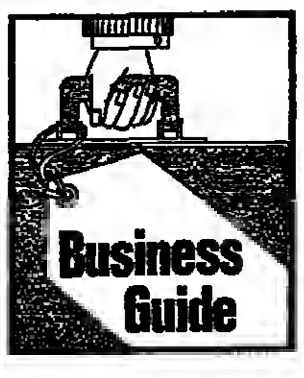
All the leading Geneva manufacturers have been among the first to recognise the opportunities offered by electronics technology. However, corporate policies differ. Piaget, who in 1976 developed an ultra-slim quartz wristwatch only 3.1 mm thick, already devotes some 60 per cent of its production to electronic models—though it does not intend to give up its other business and, indeed, has recently created a new ultra-slim mechanical movement.

Rolex, although a pioneer in quartz watches, decided against a major commitment. Managing director André Heiniger saw potential dangers for the up-market watch business in that the technology of the early 1970s was still immature and because further refinements could detract from the "lasting value" an expensive watch must offer.

Despite the success of its electronics division, Patek Philippe's production programme is still 80 per cent mechanical. The company forecasts that there will be a swing back to mechanical watches in future.

John Wicks

GENEVA VI



GENEVA IS one of the easiest places to do business in Europe but it continues to be more expensive than most cities and offers only a tiny local market.

The city's strongest suit is fine communications, including postal, telex, telephone and transport services, and multilingual staff. The problems are finding office space, private housing and trained clerical staff. However, employees are conscientious and tend to avoid unionisation. There is very little absenteeism although persuading people to work overtime is very difficult.

Some tips for business visitors to Geneva:

The airport: immigration and customs facilities are efficient, and well-staffed banks help to avoid time lost in changing money. The arrivals area outside customs has a tourist and railway information desk as well as the usual car rental services.

Waits for taxis are short and the airport is generally not crowded, unless you happen to arrive on a winter weekend and are submerged by jumbo-loads of ski enthusiasts waiting for buses to take them to nearby resorts in France. Taxi drivers expect a 10-15 per cent tip.

Hotels: there is a wide choice of hotels ranging from about SwFr 40 to SwFr 200 a night for a single room. Some of the finest are the older luxury hotels on the lake front including the Richemond, the Beau Rivage, Hotel des Bergues, and Hotel de la Paix. More recent luxury hotels include the President, the Hilton and the Rhone on the lake front, the Intercontinental near the UN complex and Le Reserve in a park outside the city.

Less expensive but fine hotels include the Ramada, Amat Carlton, Mediterranee, Cornavin and the Royal. The Panto Hotel is close to the airport.

The old town has two small but sought-after hotels: the Chandeller and Les Armures.

Restaurants: Geneva boasts many fine restaurants but the choice is mainly between French and Italian cuisine. There are a few Chinese and Vietnamese restaurants and just a handful of places offering other kinds of cuisine including Mexican, Greek, Yugoslav and African fare.

The best and most luxurious places for French food include *Le Gentilhomme* at the Richemond Hotel, Restaurant du Parc des Eaux Vives in a park overlooking the lake, La Perle du Lac in a park alongside the lake, Le Duc which specialises in exquisite seafood, Auberge du Lion d'Or in the smart Cologny residential area, and Oliviende Provence in the bohemian Carouge quarter.

Roberto's in the city centre and Valentino's just on the city's edge are the finest Italian restaurants while the Tse Fung at the Hotel la Reserve and Auberge des Trois Bonheurs in the expensive Champel residential quarter are the best Chinese restaurants.

Chez Laurent in the shopping district is a fine place for lunch and the Trois Mousquetaires in Chembesy near the UN complex is a charming inn for steaks. Le Boeuf Rouge in the Paquis also offers excellent meat but is very small and reservations are a must.

Tips are usually included in bills everywhere.

DOING BUSINESS: Banks are open at 8 am and close at 4.30 pm. Most offices are active by 8.30 am and everyone works nine-hour days not counting 30-60 minutes for lunch. The United Nations working day starts at about 9.30 am and closes by 5 pm unless conferences happen to go on until later. Lunchtime is usually from 12 to 2.30 pm. In local offices, the customs are as in France.

Handshakes are common and, contrary to caricature, Swiss businessmen and bankers are not a humourless lot. They are very cosmopolitan and know how to take a joke provided that Swiss culture is not unduly criticised. Bankers traditionally meet private customers in little salons for privacy and discretion is the rule about everything.

Lawyers tend to be more conservative than bankers but most of them speak good English and are generally informative and courteous.

Changing money is very easy and banks are at almost every street corner. On weekends two banks remain open on the Rua du Mont Blanc, facing the railway station, and banks at the airport, the coach terminal and the station are also open until 9 pm.

Shopping: The main shopping centres are near the railway station and across the lake on the other side of the Mont Blanc Bridge. Grand Passage and Placette are the two main department stores. There are many boutiques for clothes, including branches of all the famous designers such as Lanvin, Yves St Laurent and Pierre Cardin.

Bon Genie and the Chemiserie Centrale are good places for both men's and women's clothes. At the Chemiserie Centrale ask for "Pierre le Tailleur" for a personal service in choosing men's clothes. Hennes and Mauritz sells cheaper and fashionable women's clothes.

Place do Molard. Geneva has visitors all year

Tourism: quality service for well-off visitors

GENEVA IS flooded by visitors every year. This small city of only 150,000 or so accommodated more than 2.4m people last year, 2m of them foreign visitors.

It was the well-heeled—mostly well-off foreign government officials, businessmen or rich families—who enabled the luxury shops crowded into Geneva's two main shopping streets again to make record sales of such expensive items as handcrafted watches, gold jewellery studded with precious stones, furs and high fashion clothes.

Clearly, Geneva is no city for the low-budget holiday maker and that, of course, is exactly how officials of Geneva's tourism bureau like it. Geneva offers efficient service, high-quality goods and orderliness. The money its people take in exchange is the fair and necessary price for painstaking attention to detail.

The attraction of Geneva lies in its unique location as both a summer and winter resort, with its beautiful lake and snow-clad Alpine peaks dominated by the august frown of Mont Blanc.

Since it also offers the only large airport in southern Switzerland, it receives thousands of winter holidaymakers on their way to resorts along Lake Geneva and in the French Alps.

The best ski slopes in southern Switzerland lie about one hour by train from Geneva in the Valais region, which contains such resorts as Gstaad, Crans Montana, Zermatt and Zinal. Slopes near Geneva in the Jura Mountains offer miles of cross-country ski tracks near charming villages served by fine restaurants. But the best apres ski facilities are found further afield in the mountains overlooking Montreux and in the resorts of the Bernese heartland near Interlaken.

The summer tourists include large numbers from the Gulf states, Japan, Taiwan, South Korea and Hongkong. A new phenomenon is the arrival of middle class Arabs rather than the usual sheikhs and Emirs who, although not such free-spenders, tend to come with their families of up to 30 people and stay for almost a month.

But tourism officials are concerned at the drop in European and American visitors although this year is expected to be better than 1982 because of a slight upturn in the U.S. economy. The influx of Asian visitors has not succeeded in offsetting this drop, and in co-operation with the National Tourist Office, Geneva hopes to sharpen its marketing methods in the U.S.

An effort is also being made to promote Geneva as a cultural centre. The recently-built casino offers seats for almost 2,000 people and often holds ballet performances and concerts by such major performers as Rudolf Nureyev and French singing star Sylvie Vartan.

Jazz

The National Opera and the National Theatre have constant offerings of chamber music and French language plays. A wide variety of foreign performances such as visits by Indian, Chinese, Korean and African troupes also take place every year, and jazz groups usually begin their Swiss tours in Geneva.

The world recession and the Swiss franc's strength have managed to take a toll of Geneva's hotels and restaurants. The number of hotels has fallen slightly from 165 in 1975 to 160 last year and the number of beds available has dropped by 300. Prices, frozen for three years, have only just begun to edge upwards but a two-star hotel remains cheaper than a three-star one in Paris which may not offer the same cleanliness, comfort and efficiency.

In spite of the slight dip in the number of hotel beds, Geneva remains the only Swiss city where the nights spent in hotels have risen by about 4 per cent a year.

Geneva is reckoned to have the largest number of five-star hotels of any small city in the world. Food in Geneva is excellent and even the railway station boasts a gastronomic restaurant given two stars in the Michelin Guide.

One of Geneva's timeless advantages is the easy access to beautiful surroundings including old chateaux and castles such as those at nearby Coppet and Oron. But as a place to stay luxuriously and spend, it is hard to beat.

A tourism bureau brochure points out, quite truthfully: "In Geneva you can buy practically anything and you don't need to worry about what you are buying."

The sales staff in the shops are usually conversant with the goods they offer and multilingual assistants are all part of the quality service.

Auction capital for objets d'art

GENEVA HAS emerged in recent years as the most important city for auctions of jewellery and objets d'art in Continental Europe.

Though the economic recession took its toll in the auction markets last year with a drop in precious stone values, particularly diamonds, the market for objets d'art and antiques remained firm. This year is expected to bring an upturn in sales following economic recoveries in the U.S. and West Germany.

The three main auction houses based in Geneva—Christies, Sotheby's and Phillip, Son and Neal—are estimated to have a turnover of about SwFr 200m a year in official sales. Private sales by the scores of fine jewellers in Geneva could be worth more than SwFr 1bn, but no reliable figures are available since a main reason for the purchases is the seller's absolute discretion.

Christies, the first of the international auctioneers to open a branch in Geneva, in 1967, estimates its annual turnover in the city at about SwFr 50m compared with worldwide turnover of SwFr 600m. Christies' annual sales in its early years in Geneva averaged around SwFr 100m but these fell when a branch was opened in New York in the 1970s.

Arrival

Geneva has been long established as a city of fine gold jewellers and watchmakers. But it was Christies' arrival that put it on the world map as a major auctions centre. Sotheby's, which had an office in Zurich, soon followed although its main Swiss operations remain in Zurich.

The market in Geneva is for jewellery, gold boxes, Faberge work, precious metals including gold and silver, and watches. Customers like to buy small items which they can easily carry out of the country in their pockets or personal luggage. Porcelain, modern art and wine form a smaller secondary market. Most of the objects sold are of European origin although Indian, Chinese or Japanese items do appear occasionally.

There are no major locally-owned auction houses. Those in the business usually limit themselves to auctioning property or household goods which are not necessarily high-value antiques.

Geneva has a unique position because extremely fine objects can easily reach it unencumbered by difficult customs or other regulations, and money can move very easily and discreetly. The customers are mainly from the U.S., Latin America, southern Europe and, more recently there have been Arab, Japanese and buyers from Hongkong, South Korea and Taiwan.

Investment

Although some of the highest prices in auctioneering history have been recorded in Geneva, most pieces sell in the SwFr 10,000 to 30,000 range, with many being sold for below SwFr 5,000. The more expensive purchases are made for investment rather than pleasure and Dr Geza von Habsburg, chairman of Christies Europe, thinks that the impassioned collector who sells his shirt to possess his favourite art objects now hardly exists.

Christies holds two auctions a year in Geneva while Sotheby's holds one in Geneva and another in the winter resort of St Moritz. Mr Bruno Mulheim, a Sotheby's director, thinks the Geneva market is becoming larger, both in terms of objects sold and the number of buyers. "The Geneva auctions are not just for millionaires. People of all kinds are now among the buyers," he says.

It was Britain which unwittingly made Geneva an important centre for auctions. Christies opened its Geneva office because American jewellery could not be imported for sale at the London auctions owing to customs regulations. Another reason was that American buyers had more confidence in Swiss rather than British banking and business secrecy.

Mr Guy Fontanet, the Geneva canton's Minister for Justice and Police has placed a draft law before Geneva's cantonal parliament aimed at weakening the reserve price system used traditionally by all auctioneers.

Mr Fontanet feels that this system is used by some sellers artificially to increase the paper value of their possessions. It is alleged that certain Geneva banks have done this in the past by setting high reserve values on their art assets and then getting their own agents or those of auctioneers to buy them.

The auction houses are currently negotiating with a committee set up by Mr Fontanet's Ministry to amend the draft law to prevent any adverse influence on the auctions business.

BY A SPECIAL CORRESPONDENT